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CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND



GAVIN NEWSOM, MAYOR

TREASURE ISLAND DEVELOPMENT AUTHORITY
MEETING AGENDA

September 12, 2007 - 1:30 P.M.

Room 400, City Hall
1 Dr. Carlton B. Goodlett Place

SF
T24
9/12/07

Gavin Newsom, Mayor

DIRECTORS

Claudine Cheng, *President*
Jesse Blout
Jared Blumenfeld
John Elberling, *C.F.O*
Matthew Franklin
Marcia Rosen
Owen Stephens, *Secretary*
Supervisor Chris Daly (*Ex-Officio*)

Mirian Saez, Director of Island Operations
Peter Summerville, Commission Secretary

ORDER OF BUSINESS

DOCUMENTS DEPT.
SEP 10 2007
SAN FRANCISCO
PUBLIC LIBRARY

1. Call to Order and Roll Call

2. Report by Director of Island Operations (*Discussion Item*)
   Length of Item: 10 minutes

3. Report by Office of Base Reuse and Development (*Discussion Item*)
   Length of Item: 10 minutes

4. Communications (*Discussion Item*)
   Length of Item: 5 minutes

5. Report by the Treasure Island/Yerba Buena Island Citizen's Advisory Board (*Discussion Item*)
   Length of Item: 5 minutes

6. Ongoing Business by Directors (*Discussion Item*)
Length of Item: 5 minutes

7. General Public Comment (*Discussion Item*) ***In addition to General Public Comment (Item #7), Public Comment will be held during each item on the agenda.***
Length of Item: 10 minutes

8. **CONSENT AGENDA**
Length of Item: 5 minutes

All matters listed hereunder constitute a Consent Agenda, are considered to be routine by the Treasure Island Development Authority Board and will be acted upon by a single vote of the Authority Board. There will be no separate discussion of these items unless a member of the Authority Board so requests, in which event the matter shall be removed from the Consent Agenda and considered as a separate item.

a.) Approving the Minutes of the July 11th, 2007 Regular Meeting (*Action Item*)

b.) Authorizing the Director of Island Operations to Execute an Amendment to the Caretaker Agreement with the United States Navy to Extend the Term from October 1, 2007 through September 30, 2008 (*Action Item*)

c.) Resolution Approving and Authorizing the Director of Island Operations to Enter into a Utilities Services Contract with the US Coast Guard (*Action Item*)

d.) Resolution Authorizing an Amendment to the Agreement with the San Francisco County Transportation Authority for Engineering and Planning Assistance on the Treasure Island Transportation Plan to Extend the Completion Date, Revise the Scope of Work and Increase the Contract Amount by $50,000 for a Total Amount not to exceed $99,670 (*Action Item*)

e.) Resolution Authorizing a Fifth Amendment to the Contract with Economic & Planning Systems for Economic Consulting Services in Support of Negotiations with the US Navy and the Master Developer By Retroactively Extending the Term for an Additional Ten Months through June 30, 2008 (*Action Item*)

9.) Resolution Authorizing the Third Amendment to the Revenue Sharing and Consent Agreement between The Treasure Island Development Authority and The Treasure Island Homeless Development Initiative (*Action Item*)
Presenter: Marc McDonald, TIDA Facilities Director
Length of Item: 5 minutes

10.) Resolution Authorizing the Director of Island Operations to Enter into Sole Source Negotiations with the Treasure Island Job Corps to Sublease and Operate the Treasure Island Café (*Action Item*)
Presenter: Mirian Saez, Director of Island Operations

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Length of Item: 5 minutes

11.) Resolution to Amend the Interim Subleasing Policy and Rental Rate Schedule for Treasure Island Development Authority (*Action Item*)
Presenter: Marc McDonald, TIDA Facilities Director
Length of Item: 5 minutes

12.) Resolution Authorizing the Director of Island Operations to Execute a Second Amendment to the Loan Agreement with the Government of Mexico and the Fine Arts Museums of San Francisco for the Temporary Loan to Mexico of the Miguel Covarrubias Murals "Pageant of the Pacific" to Amend the Schedule of Display (*Action Item*)
Presenter: Peter Summerville, TIDA Special Projects Director
Length of Item: 5 minutes

13.) Resolution Authorizing the Director of Island Operations to Execute an Assignment and Assumption and Third Amendment to the Loan Agreement with the Government of Mexico and the Fine Arts Museums of San Francisco for the Temporary Loan to Mexico of the Miguel Covarrubias Murals "Pageant of the Pacific" to Amend the Schedule of Display and Extend the Term (*Action Item*)
Presenter: Peter Summerville, TIDA Special Projects Director
Length of Item: 5 minutes

14.) Authorizing the Director of Island Operations to Execute a Memorandum of Understanding with the Department of Emergency Management for the Creation of an Emergency Operations Plan and Accompanying Appendices for Treasure and Yerba Buena Islands (*Action Item*)
Presenter: Peter Summerville, TIDA Special Projects Director
Length of Item: 10 minutes

15.) Resolution approving the Treasure Island Development Authority Board of Directors Regular Meeting Schedule for Fiscal Year 2007-2008 (*Action Item*)

16.) Discussion of Future Agenda Items by Directors (*Discussion Item*)

17.) POSSIBLE CLOSED SESSION
If approved by the TIDA Board, this Closed Session item will take place for approximately 45 minutes at the end of the meeting

a. Public Comment on all items relating to closed session

b. Vote on whether to hold closed session to confer with real property negotiators. *(Action item)*

c. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Persons negotiating for the Authority: Michael Cohen, Jack Sylvan
Persons negotiating with the Authority: Treasure Island Community Development, LLC, United States Navy
Property: Former Naval Station Treasure Island

Under Negotiation:
Price: _____ Terms of payment: _____ Both: __X__

d. Reconvene in open session *(Action item)*

i. Possible report on action taken in closed session under Agenda Item 16 (Government Code section 54957.1 (a) (1) and San Francisco Administrative Code Section 67.12)

ii. Vote to elect whether to disclose any or all discussions held in closed session *(San Francisco Administrative Code Section 67.12).*

18.) Adjourn

Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Development Authority Office, 410 Avenue of the Palms, Building 1, Treasure Island, and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.

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The nearest accessible BART station is Civic Center Plaza at the intersection of Market, Grove, and Hyde Streets. The accessible MUNI Metro lines are the J, K, L, M, and N (Civic Center Station or Van Ness Avenue Station). MUNI bus lines serving the area are the 47 Van Ness, 9 San Bruno, and the 6, 7, 71 Haight/ Noriega. Accessible curbside parking is available on I Dr. Carlton B. Goodlett Place and Grove Street. For more information about MUNI accessible services, call 923-6142.

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Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign and Governmental Code 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, telephone (415) 581-2300, fax (415) 581-2317 and web site http://www.sfgov.org/ethics/.

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(Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decision in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures

that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact: Administrator, Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102-4689; by phone at 415 554 7724; by fax at 415 554 7854; or by email at sotf@sfgov.org.

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MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

August 7, 2007

Mr. Frank Chu
Walter Wong & Associates
Walter Wong Construction
205-13th Street, 4th Floor
San Francisco, CA. 94103

Re: Electrical Wiring in Building 62

Dear Mr. Chu:

We are deeply distressed by the hardships suffered by Walter Wong and Associates due to the theft of electrical wiring at its premises on Treasure Island. While it is no small comfort that we are all victims of a nationwide epidemic in copper thievery, be assured that I am in personal contact with the San Francisco Police Department. As we go forward, please keep us informed of actions that you are taking, including communications with your insurer for recovery from damages.

While I have directed my staff to find alternate accommodations to suit your storage needs, you indicated that due to the significant volume of materials stored in the facility you have a strong preference to remain in your current premises. You also stated that the cost to replace the wiring would exceed $20,000, and that you would like the Authority to share in the cost of replacement. While this is a difficult proposition to accommodate in light of the fact that rent for the month-to-month sublease is only $2,060, I have directed my staff to review the proposal and to take into account that Walter Wong Associates is a long-term tenant with a history of satisfying its obligations to the Authority.

Please forward a copy of the estimates that you have received to my attention. I have directed my staff to also secure estimates for the work required to restore power to the premises. Your cooperation in accommodating their entry to the premises will be most appreciated.

If you have any questions do not hesitate to contact me at (415) 274-0660.

Sincerely,

Mirian Saez
Director of Island Operations

cc: Eileen Malley, City Attorney
Claudine Chang, Board President, Treasure Island Development Authority
Avo Sarkissian, Department of Public Works
Marc McDonald, Facilities Manager

H:\Subtenant Leases\Walter Wong\Electrical System.doc

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MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

To:	Debra Johnson, Director of External Affairs, MTA
CC:	Carter Rohan, Senior Director of Transportation, MTA
	Bond Yee, Director of Parking and Traffic, MTA
	Kenneth McDonald, COO/Director of MUNI Service, MTA
From:	Mirian Saez, Director of Island Operations
Date:	August 31, 2007
Re:	Treasure and Yerba Buena Island MUNI/DPT issues

Thank you for your time meeting recently with myself and TIDA staff. Per your request, please find below a list of items TIDA would like the MTA to consider or address with regards to MUNI and DPT service affecting Treasure and Yerba Buena Islands.

MUNI

- Extension of MUNI 108 route to King Street merchant corridor enabling access to library and grocery store.
- Commitment to regular 108 schedule over Labor Day Weekend 2007, Fleet Week, Fourth of July, Halloween, large scale on-Island events.
- Allow for placement of Island-related community notices on 108 bus via "Take-Ones" and announcement frames in front of bus behind driver.
- Coordination with Job Corps on MUNI vocational training/placement program.
- Patrol/monitoring of MUNI 108 line.
- Patrol/cleanliness/non-smoking issues of Transbay Terminal MUNI stop.
- Bus drivers leaving from Transbay or Island stops early/off schedule.
- Rerouting of MUNI 108 to avoid vacant properties on eastern end of Treasure Island.
- Maintenance of Island bus shelters.
- Continuation of Island participation in TEP.

DPT

- Island parking survey re: red zones.
- Fix disconnect with 311 regarding getting cars towed on the Island.

- Study of potential for DPT residential parking permit for Treasure and Yerba Buena Islands
- Possibilities for providing traffic control officers during on-Island events, Fleet Week, Halloween, 4th of July, etc.
- DPT signage assistance in coordination with DPW street-sweeping.
- Assessment and planning assistance with issues surrounding Treasure Island front gate, including MUNI bus stop, tour bus & limo parking, short term visitor parking, crosswalks, traffic lanes, traffic control.

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MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

TO: Mayor Gavin Newsom
FROM: Mirian Saez, Director of Island Operations, Treasure Island
RE: TIDA Initiatives of Interest
DATE: August 6, 2007

The three initiatives currently under development by the Treasure Island staff are:

1) Creation of **Emergency Operations Plan** for Treasure Island and Yerba Buena Island

2) **Security Sweeps** of vacant buildings to remove trespassers and reduce risk

3) **Marketing Treasure Island as a Destination**
   - **Sublease** with the **San Francisco Film Commission** for Hanger Three.
   - First Annual **Treasure Island Music Festival.** September 15th and 16th

1. Emergency Operation Plan

TIDA staff, in cooperation with the Department of Emergency Management and their contractor URS, have agreed to a scope of work for the creation of an Emergency Operations Plan and accompanying annexes to address the coordinated emergency response for incidents affecting Treasure and Yerba Buena Island. The main components of the scope of work are:

- Assessment of potential hazards and risks threatening Treasure and Yerba Buena Islands
- Community outreach and development of a community and demographics profile
- Creation of an EOP Concept of Operations for the Islands including:
  - Formalization of a Treasure Island Emergency Operations Center/Incident Command Post, protocols for establishment, and its relationship to the City's EOC.
  - Establish protocols and mutual-aid procedures between TIDA and existing on-Island state, Federal and non-CCSF entities and organizations, including methods for reimbursement.
  - Prepare a Concept of Operations outline consistent with the City's EOP and in accordance with NIMS/SEMS requirements.
- Preparation of function-specific annexes for the EOP, including procedures for:
  - Evacuation and transport of emergency workers and supplies
  - Medical services
  - Handling separated families
  - Damage and life/safety assessments
  - Sheltering and animal/pet sheltering

Approval of this contract with URS will be before the TIDA Board of Directors at its September 12th meeting. Completion of this Plan is expected by March of 2008. In addition, TIDA staff is working to organize Island-based **NERT training** and **Red Cross shelter worker training** sessions for the entire Island community (daytime population, residents and Job Corps) scheduled to begin in Fall 2007.

2. Security Sweeps

Over the past three months, two building on Treasure Island caught fire in two separate incidents. The fires were eventually fully contained without threatening other structures or individual life safety but both were significant enough to warrant being escalated to Three Alarm. While the final investigation reports have not been concluded, evidence at the scenes indicated that the fires had been set by trespassers. There are three types of trespassers on the Island: 1) Island youth utilizing the building for recreation purposes; 2) homeless individuals seeking shelter from the elements; and 3) copper miners stripping the building of its copper, and using it for shelter and drug activity. During the second fire, a known copper miner was rescued from the building.

Immediately following the second fire, the TIDA staff began taking action on several fronts to reduce risk. Action included changing the hours of the security guard at the TI entrance and instruction to document license plates, creating a weekly standing meeting with the SFPD Sergeant on duty, instituting a weekly inspection program of the buildings by DPW, implementing a Treasure Island auto identification plan, researching alternative methods for securing the vacant buildings in lieu of board-ups, re-routing of MUNI 108 bus and conducting sweeps of the vacant buildings. TIDA is also researching the demolition or deconstruction of vacant buildings in order to reduce risk.

The two fires, coupled with the aggressive and brazen nature in which the copper miners are stripping vacant buildings, and most recently occupied buildings, have led TIDA to initiate systematic sweeps of the vacant buildings. Action taken in preparation of sweeps include: inspection of vacant buildings, creation of a Nuisance Buildings Report and a Building Conditions Report, and requests for assistance from DPH, DPW, ECD, DOD, SFPD and SFFD. Currently, staff awaits completion of a review of the Nuisance Buildings Report by DPH and a license from the Navy to allow entry into the vacant buildings. Once this preliminary work is completed, a systematic sweep of the buildings will take place as warranted. Should trespassers be found during the sweeps, each will be connected to appropriate services, consistent with City policy.

3. Marketing TI as a Destination

A. TIDA will enter into a Sublease with the San Francisco **Film Commission** commencing September 1, 2007 for both office and film production space. TIDA looks forward to working collaboratively with the San Francisco Film Commission, and is pleased to provide the Film Commission with a large production and soundstage facility which will undoubtedly aid the Film Commission's marketing efforts in attracting major film production to San Francisco.

B. **Noise Pop Industries** and **Another Planet Entertainment** will produce the **First Annual Treasure Island Music Festival** on September 15th and 16th. The event will take place on the Great Lawn and will host 14 bands on two stages each day, with notable acts that include *Modest Mouse*, *Thievery Corporation*, *DJ Shadow*, *Cut Chemist* and *Zion I*. Concert promoter Noise Pop Industries also produces Noise Pop, San Francisco's longest running independent musical festival. For the Treasure Island festival, Noise Pop will team up with Another Planet Entertainment. Another Planet has produced concerts since 2003 and is comprised of veterans from Bill Graham Presents and Clear Channel Entertainment who have a long history in the industry.

The event time for the Treasure Island Music Festival is 12:30PM to 10:00PM each day. The anticipated 7,500 patrons will primarily be transported in buses from free parking lots located at Lot A at AT&T Park. The producers of the event are dedicated to producing the festival as environmentally friendly as possible and will use bio-diesel fuel buses. The event website is WWW.TREASUREISLANDFESTIVAL.COM.

Managing the event is a coordinated process with Noise Pop Industries and Another Planet that requires the cooperation of the following agencies/departments: SFPD, CHP, Caltrans, MTA, SFFD, DPW, DPT, Entertainment Commission, and your representative Martha Cohen.

MEMORANDUM

TO: Mirian Saez
Director of Island Operations

FROM: Lori Mazzola, Event Coordinator

DATE: September 7, 2007

RE: **SPECIAL EVENTS / PUBLIC ACCESS**

In preparation for the Director's Report for the upcoming TIDA meeting, please find a briefing of recent and upcoming events on Treasure Island.

- CC Myers rented the Nimitz House to provide a location for their workers to rest and have meals during the Bay Bridge Closure project, August 31st through September 4th.

- Extraordinary Events is producing a customer appreciation event for VM Ware, a major leader in virtual infrastructure technology based in Palo Alto, CA. The event will take place, from 7PM to 11PM, on Wednesday, September 12th in Building 3. Approximately 9,000 guests will be bused in for entertainment, food & beverage.

- Another Planet Entertainment and Noise Pop will produce the 1st Annual Treasure Island Music Festival on September 15th and 16th. The event will take place on the Great Lawn and will host 14 bands, on two stages, each day. 7,500 guests are expected each day and will be transported by bio-diesel fueled buses from AT&T Parking Lot A. The event time for the Treasure Island Music Festival is 12:30PM to 10:00PM each day.

- The 2007 Annual International Dragon Boat Festival September 22nd and 23rd. The Dragon Boat Races will take place in Clipper Cove and the festival area will be held in the parking lot of Building 180. Up to 5,000 people per day are expected to attend the event and will be bused in from multiple pick up locations in Chinatown.

- "Chicken Hooray, LLC" continues to bring a chicken rotisserie business to Treasure Island to provide gourmet chicken meals to residents on Treasure Island on a weekly basis.

Waiver of Fee or At-Cost Fee Disclosure
At Cost Fee

- The International Special Events Society (ISES) held its sixth annual gala in the Main Administration Building on July 24, 2007. Over 300 event industry professionals attended the event and were given the opportunity to experience use of the venues on Treasure Island and encouraged to promote Treasure Island.
- The Glide Foundation held its annual staff picnic in the Fogwatch Picnic Area on August 24th
- Metropolitan Transportation Commission held an Executive Committee Meeting in Casa de la Vista on August 2nd
- The SF Arts Commission rented Casa de la Vista for a Board Retreat on July 20th

- The Metropolitan Transportation Commission/Bay Area Toll Authority rented Quarters 10 as a holding location for media and VIPS, as well as a rest location for workers during the Bay Bridge Closure project, from August 31st to September 4th

Fee Waiver

- The Recruitment Unit of the San Francisco Police Department hosted a Public Safety Career Expo in the Main Administration Building on Treasure Island. Many Public Safety and Law Enforcement Agencies were onsite, including the SFPD, SFFD, CHP, City College of San Francisco, BART, the San Francisco Sheriff's Department, and the San Jose, Oakland, and Hayward Police Departments.

INTEROFFICE MEMORANDUM

To: Mirian Saez
From: Lori Mazzola
Subject: Noise Pop Event
Date: 9/7/2007

Noise Pop and Another Planet Entertainment will produce the Treasure Island Music Festival on September 15th and 16th. The event will take place on the Great Lawn and will host 14 bands, on two stages, each day. A list of participating bands follows at the end of this memo.

Noise Pop Industries has produced San Francisco's longest running Independent Music Festival since 1993. For the Treasure Island Music Festival they have teamed up with Another Planet Entertainment. Another Planet has been producing concert events since 2003 and is comprised of veterans from Bill Graham Presents and Clear Channel Entertainment who have a long history in the industry. Another Planet currently promotes shows at over 30 Bay Area venues, including the Greek Theatre and the Oakland Arena.

The main contact for Noise Pop Industries is Stacy Horne, who is the Events Director. The main contacts for Another Planet are Allen Scott, Bryan Duquette, and Mary Conde.

The event time for the Treasure Island Music Festival is 12:30PM to 10:00PM each day. Guests will primarily be transported in buses coming from free parking available at Lot A, AT&T Park. VIP and staff parking will be available on the Island. The producers of the event are dedicated to producing the festival as environmentally friendly as possible, and will use bio-diesel fuel buses from Bauer's Limousines for transportation.

Attendance of 7,500 people per day is expected. The maximum capacity is set at 10,000 people per day. The anticipated demographic of the festival will be ages 25 to 40.

The event website is WWW.TREASUREISLANDFESTIVAL.COM.

Music Festival Schedule

Saturday, September 15, 2007
Thievery Corporation
Gotan Project
DJ Shadow & Cut Chemist
MIA
Ghostland Observatory
Kinky
Zion-I
Flosstadamus
Dengue Fever
Honeycut
West Indian Girl
Mocean Worker
Kid Beyond

Sunday, September 16, 2007
Modest Mouse
Spoon
Built to Spill
Clap Your Hands
M. Ward
Two Gallants
Au Revoir Simone
Earlimart
Film School
Devil Makes Three
Sea Wolf
Street To Nowhere
Trainwreck Riders

Treasure Island Development Authority
Subleases Executed Pursuant to
Leasing Policy

Tenant Name Building No. Address	Commencement Date	Use	Monthly Rent	Square Feet	Type	Monthly Rate psf	Allowance	Rent Credits	Comments
State of California - Department of Transportation Administration Building 410 Avenue of the Palms, Suite 169	July 23, 2007	Office	$3,250	1,300	Full Service	$2.50	None	None	
Treasure Island Homeless Development Initiative Administration Building 410 Avenue of the Palms	July 1, 2007	Office	Waived	1,400	Full Service	N/A	None	None	Subtenant pays monthly CAM
Boys & Gilrs Clubs of San Francisco Buildings 33-A & 33-B (Treasure Island School) 401-13th Street	July 1, 2007	Clubhouse	Waived	7,575	NNN	N/A	None	None	Subtenant pays monthly CAM
Jim Mirowski Building 207	September 10, 2007	Storage	$ 1,980.00	6,600	NNN	$0.30	None	None	
William Collister Buildings 601 330 and 64	September 10, 2007	601 - shop 330- Storage 64 - Storage	$ 2,400.00 $ 88.00 $ 12.00	1,200 4,400 600	NNN NNN NNN	$2.00 $0.02 $0.02	None	None	Appraisal attributed no value to buildings

California Dragon Boat Association
加州龍舟會

September 6, 2007

Ms. Claudine Cheng
President
Treasure Island Development Authority Board of Directors
410 Avenue of Palms, Building 1, 2nd Floor
San Francisco, CA 94130

Dear President Cheng and Fellow Directors:

On behalf of the California Dragon Boat Association, I would like to invite you to attend this year's **San Francisco International Dragon Boat Festival,** to be held on September 22 & 23, 2007 at Treasure Island. The event is currently in its 12th year and is the largest dragon boat festival in the United States, with over 100 participating dragon boat teams. Since we moved the event to Clipper Cove three years ago, the festival has experienced an unprecedented surge in attendance and interest in dragon boating, as this new location has allowed us to grow into a truly regional Bay Area event. Teams visiting from around the world love the views of San Francisco and the excitement of paddling in the Bay. We are thrilled to have Treasure Island as the festival's home.

Dragon boating originated over 2,300 years ago from a Chinese legend and is one of three major holidays celebrated in Chinese communities around the world. In the past 35 years, dragon boating has experienced tremendous growth around the world in Asia, Australia, Europe, Africa, and North America, with competitions held in hundreds of cities internationally. A dragon boat involves 20 paddlers, a drummer, and a steersperson, all working together to propel a 45-foot boat with a dragon head and tail through the water. The sport favors teamwork over strength and has often been referred to as the ultimate team sport. Dragon boating is an extremely accessible sport and attracts a wide diversity of participants, from novice corporate team paddlers to competitive athletes, which is why it is one of the fastest growing sports in the Bay Area.

The participants of the San Francisco International Dragon Boat Festival reflect this diversity. Our teams include many of the Bay Area's major corporations and community groups and also include special teams such as breast cancer and cancer survivor teams, college teams, elderly teams, and even a sight impaired team. In addition, this year's festival will include teams from all over the United States and Canada, as well as a team coming from Germany.

In addition to the dragon boat racing, this family event includes two full days of cultural performances, Dragon Land (an area filled with free arts and crafts and other activities for children), a rock climbing wall, fitness challenges, delicious food vendors, a health and fitness pavilion, and more. The event is distinctive from other Asian American community fairs and from other Bay Area sports events in its unique blend of cultural heritage, international participation, and wide array of activities for spectators.

Finally, the San Francisco International Dragon Boat Festival raises funds for two programs:

- Self Help for the Elderly (our original partner in the dragon boat festival) – A non-profit organization based in San Francisco that provides a variety of services to seniors;
- CDBA High School Dragon Boat Program – The CDBA offers a free, year-round dragon boat program to San Francisco high schools. Schools such as Lincoln, Lowell, Washington, Galileo, Mission, Lick Wilmerding, St. Ignatius, and others all have dragon boat programs. Some schools have multiple crews and waiting lists to participate. Last year, a combined Lincoln-Lowell High School team qualified and went to the World Club Crew Dragon Boat Championships in Toronto, Canada. The CDBA Youth Program is one of the most successful youth dragon boat programs in North America and is frequently used as a model for other regions.

If you are interested in attending the festival and would like a VIP Parking Permit, please contact Peter Summerville and he will make the necessary arrangements. We hope to see you there – Paddles Up!

Sincerely,

Linda Cheu
President
415.378.8838

Hans Wu
Race Director
415.990.6698

TREASURE ISLAND EVENT CALENDAR 9/4/2007

DATE	TYPE	LOCATION	EVENT	START	END	GUESTS
06 Sep 07	rehearsal	Chapel	Alexandra Endress/Pete Giese	4PM	5PM	30
06 Sep 07	rehearsal	Chapel	Norman Ng/Annie Tong	6PM	7PM	30
06 Sep 07		Chapel Lot	Chicken Hooray	2PM	9PM	
07 Sep 07	set up	Building 1	SFPD	9AM	5PM	
07 Sep 07	Wedding	Chapel/Casa	Alexandra Endress/Pete Giese	2PM	12AM	170
08 Sep 07	Job Faire	Building 1/Glawn	SFPD	6AM	6PM	
08 Sep 07	Wedding	Chapel	Norman Ng/Annie Tong	3PM	6PM	150
08 Sep 07	Wedding	Casa de la Vista	Jennifer Enson/Rick Terrazas	4PM	12AM	180
08 Sep 07	rehearsal	Chapel	Tracy Tognetti/Johnson Yao	11.30AM	12.30PM	30
09 Sep 07	baseball	Sports Field	San Francisco Little League	9AM	5PM	50
09 Sep 07	Wedding	Chapel/Casa	Tracy Tognetti/Johnson Yao	1.30PM	9.30PM	150
12 Sep 07	Party	Building 3	Extraordinary Events-VM World	7PM	11PM	10,000
13 Sep 07	rehearsal	Chapel	Kristen Brabender/Ricardo Papa	11AM	12PM	30
13 Sep 07		Chapel Lot	Chicken Hooray	2PM	9PM	
14 Sep 07	Wedding	Chapel	Kourtney Brosh/Nick Ramirez	9AM	12PM	12
14 Sep 07	rehearsal	Chapel Lawn	Becky Delos Reyes	5.30PM	6.30PM	30
14 Sep 07	Wedding	Chapel/Casa	Kristen Brabender/Ricardo Papa	2PM	11PM	180
9/15-9/16	Music Festival	Great Lawn	Noise Pop Industries LLC			10,000
16 Sep 07	Wedding	Chapel/Casa	Becky Delos Reyes	4PM	12AM	180
20 Sep 07	rehearsal	Chapel	Candida Boyette/Lamont Clemmons	5PM	6PM	30
20 Sep 07		Chapel Lot	Chicken Hooray	2PM	9PM	
21 Sep 07	Wedding	Chapel/Casa	Candida Boyette/Lamont Clemmons	10AM	12AM	125
22 Sep 07	rehearsal	Casa de la Vista	Carli Watson/Mike Deluca	11AM	12PM	30
22 Sep 07	Wedding	Casa de la Vista	Elizabeth Brotz/Brian Knapp	2PM	12AM	180
9/22-9/23	Races/Festival	Clipper Cove/180 lot	California Dragon Boat Assn	8AM	5PM	10,000
23 Sep 07	baseball	Sports Field	San Francisco Little League	9AM	5PM	
23 Sep 07	edding	Casa de la Vista	Carli Watson/Mike Deluca	3PM		

TREA RE ISLAND EVENT CALENDAR 9/4/2007

DATE	TYPE	LOCATION	EVENT	START	END	GUESTS
27 Sep 07		Chapel Lot	Chicken Hooray	2PM	9PM	
28 Sep 07	Fundraiser	Casa de la Vista	Project Open Hand	3PM	11PM	125
28 Sep 07	rehearsal	Chapel	Jessica Brennan/Brian Zucker	4PM	5PM	30
29 Sep 07	Picnic	Fogwatch Picnic	Shep Maher	11AM	7PM	225
29 Sep 07	Picnic	Great Lawn	TIHDI-Community Day Picnic	8AM	5PM	400
29 Sep 07	Wedding	Casa de la Vista	Lisa Arroyo/Jim Gilbert	12PM	8PM	180
29 Sep 07	Wedding	Chapel	Jessica Brennan/Brian Zucker	3PM	6PM	250
30 Sep 07	baseball	Sports Field	San Francisco Little League	9AM	5PM	50
30 Sep 07	Wedding	Casa de la Vista	Shannali Mouat	3PM	11PM	150
30 Sep 07	Wedding	Chapel	Patricia Leigh/Daryl Trombino	5PM	8PM	200
04 Oct 07		Chapel Lot	Chicken Hooray	2PM	9PM	
04 Oct 07		Casa de la Vista	TIDA-Mirian Saez			
05 Oct 07	set up	Chapel	Alzheimers Association	8AM	5PM	
06 Oct 07	Fundraiser	Chapel	Alzheimers Association	5AM	3PM	6,500
06 Oct 07	Fundraiser	Casa de la Vista	Latino Peace Officers Association	4PM	12AM	200
06 Oct 07	Picnic	Fogwatch Picnic	Trips 4 U	8AM	4PM	85
07 Oct 07	baseball	Sports Field	San Francisco Little League	9AM	5PM	50
07 Oct 07	Picnic	Fogwatch Picnic	Naval Academy Parents Club	8AM	5PM	225
10 Oct 07	rehearsal	Chapel	Zoe Ng/Jonathon Padilla	5PM	6PM	30
11 Oct 07		Chapel Lot	Chicken Hooray	2PM	9PM	
12 Oct 07	Wedding	Chapel/Casa	Zoe Ng/Jonathon Padilla	3PM	12AM	180
13 Oct 07	Ceremony	Great Lawn	Lydia Wu/Allen Tsai	11AM	8PM	200
13 Oct 07	Wedding	Chapel/Casa	Erin McHugh/Steven Shaw			180
14 Oct 07	baseball	Sports Field	San Francisco Little League	9AM	5PM	50
14 Oct 07	Wedding	Casa de la Vista	Stephanie Hibbert/Mark Pearson	12PM	9PM	180
16 Oct 07	Meeting	Casa de la Vista	Navy-CSO-RAB	4PM	9PM	50
18 Oct 07		Chapel Lot	Chicken Hooray	2PM	9PM	
20 Oct 07	rehearsal	Chapel				

Treasure Island Community Festival

THE FREE 9TH ANNUAL FESTIVAL

SATURDAY
SEPT 29TH
11 AM-3 PM
ON THE
GREAT LAWN



STEEL DRUM BAND

Live Music by Night Fever



- CRAFT BOOTHS
- FOOD
- ACTIVITIES

& MUCH MORE !!

FOR MORE INFO CALL
(415) 274-0311

Fabulous San Francisco Bay Views !!

Sponsored by:

Boys and Girls Club of San Francisco, Catholic Charities CYO, Community Housing Partnership, Cornerstone International Community Church, Delancey Street, Life Learning Academy, Island Creative, Golden Gate Disposal & Recycling Co., Good Neighbors, Haight Ashbury Free Clinics, Rubicon Programs John Stewart Company, Treasure Island Villages, SF Fire Department, SFPUC, Walden House, Kidango Community Arts & Education Program of the SF Arts Commission, Treasure Island Job Corps, SF Island Community Association, Swords-to-Plowshares, Treasure Island Enterprise/Marina Treasure Island Community Development, Treasure Island Development Authority, Tool Works, Treasure Island Homeless Development Initiative, Southwest Airlines

Designed by Micah Petrone Treasure Island Job Corps Graphic Design

SAN FRANCISCO FIRE DEPARTMENT

N. E. R. T.

Neighborhood Emergency Response Team



WHO: Everyone!!!

WHAT: Disaster Preparedness Training

WHERE: Treasure Island
Shipshape Community Center, Bldg 497
Avenue I between 9th and 11th

WHEN: Thursday evenings 6:30pm - 9:30pm
October 11, 18, 25, November 1, 8 AND 15
(If you are unable to attend all sessions to complete NERT, you may make up classes at other locations.)

HOW: RSVP to sffdnert@sfgov.org or call 415-970-2024 to register. Visit www.sfgov.org/sffdnert to see more about the training, other locations, and register on line.

WHY: Hurricane Katrina has shown us the need to get prepared. You are vital to the recovery of the City after a disaster!!!

TRAINING COURSE OUTLINE

Class Session #1...
Earthquake Awareness, Preparedness and Hazard Mitigation

Class Session #2...
Basic Disaster Skills; Fire Extinguishers; Hazardous Materials; Utilities Shut-offs

Class Session #3...
Disaster Medicine

Class Session #4...
Light Search and Rescue

Class Session # 5...
Team Organization and Management
Terrorism & NERT

Class Session # 6...
Hands-On Training
Skills Development and Application

POLICE DEPARTMENT
CITY AND COUNTY OF SAN FRANCISCO
THOMAS J. CAHILL HALL OF JUSTICE
850 BRYANT STREET
SAN FRANCISCO, CALIFORNIA 94103-4603

HEATHER J. FONG
CHIEF OF POLICE

September 4, 2007

Ms. Mirian Saez
Executive Director
Treasure Island Development Authority
410 Avenue of the Palms
Treasure Island
SF., CA 94130

SENT VIA FACSIMILE TO (415) 274-0299

Reference: Treasure Island Crime Statistics – August 2007

Dear Ms. Saez:

There were thirty-one incident reports filed with the San Francisco Police Department about occurrences on Treasure Island and Yerba Buena Island during the month of August 2007. Please see Attachment A for specific information.

Please Contact me at (415) 553-9154 or at Denis.O'Leary@sfgov.org if you have any questions.

Sincerely,

Denis F. O'Leary
Captain – Southern Station

By: _____
Officer Louis Glaser
Southern Station
(415) 553-7959

09/05/2007 11:38 SOUTHERN STATION CAPTAINS STAFF → 92740299 NO. 678 002

ATTACHMENT A

OCC. DATE	REP. DATE	LOCATION	TYPE	COMMENTS	CASE NUMBER
8/2/2007	8/2/2007	Address withheld	EPO Order violation/DV		070781274
05/25-08/02	8/2/2007	400 blk Av of the Palms	Trespassing	suspect unk	070781995
8/4/2007	8/4/2007	Address withheld	Mental Health Detention		070789171
8/4/2007	8/5/2007	1100 blk Reves Ct.	Missing Juvenile		070791728
7/30/2007	8/7/2007	1200 blk Northpoint Dr.	Dog, Bite or Attack		070800181
8/6/2007	8/6/2007	Av H	Robbery, Street or Public Place		070796881
8/9/2007	8/10/2007	1200 blk Exposition Dr	Missing Juvenile		070809412
8/10/2007	8/10/2007	Address withheld	Assault, DV		070811780
8/8/2007	8/8/2007	700 blk Av M	Suspicious Occurrence		070804008
8/12/2007	8/13/2007	Job Corp	Assault, Aggravated	suspect unk	070821171
8/10/2007	8/10/2007	1400 blk Sturgeon	Suspicious Occurrence		070811984
8/11/2007	8/11/2007	Vista Point T.I.	Recovered Vehicle		070812409
8/11/2007	8/11/2007	MLK Park / 3rd St.	Lost Property	Cell phone	070820123
8/10/2007	8/13/2007	1400 blk Chinook St.	Theft, Other Property	$200-$400	070819483
8/14/2007	8/14/2007	1200 blk Gateview Ct.	Burglary/Apartment House	suspect unk	070826648
8/14/2007	8/14/2007	800 blk Av M	Burglary/Other Bldg	T.I. Gym	070828757
8/15/2007	8/15/2007	1200 blk Exposition Dr	Found Juvenile/warrant arrest		070809412
08/16-08/20	8/20/2007	400 blk Austin Hall Av	Theft, From Building	Copper wire	070847058
8/19/2007	8/20/2007	1200 blk Exposition Dr	Runaway		070847729
8/20/2007	8/20/2007	1200 blk Mariner Dr.	Burglary/Apartment House	suspect unk	070848197
8/19/2007	8/19/2007	1200 blk Mariner Dr.	Stolen Vehicle		070843341
8/21/2007	8/21/2007	4th St. @ Av M	Suspicious Occurrence		070851764
8/18/2007	8/21/2007	600 blk Av H	Missing Adult		070852706
8/21/2007	8/21/2007	1100 blk Keppler Ct	Recovered Vehicle	Unfounded	070853732
8/17/2007	8/18/2007	Address withheld	Sodomy/Adult Victim	Suspect Known	070839613
8/24/2007	8/27/2007	1100 blk Ozbourn Ct	Burglary/Residence	suspect unk	070872356
08/25-08/26	8/27/2007	100 blk mason Ct	Theft/Bicycle		070872845
8/26/2007	8/26/2007	Bldg. 3 T.I.	Malicious Mischief	Vandalism	070871267
08/26-08/27	8/27/2007	1400 blk Sturgeon	Missing Adult		070873213
8/27/2007	8/28/2007	1200 blk Gateview Ct.	Terrorist Threats/warrant Arrest	1 Booked	070877845
8/28/2007	8/29/2007	1200 blk Gateview Ct.	Suspicious Occurrence		070882402

Part 1 Crimes August, 2007

Assult 2	Robbery 1	Homicide	Arson	
Burglary 4	Sex Offenses 1	Vehicle Theft 1	Larceny 3	Total 12

ENTERED SEP 2007 TRESPASS LAW DEPARTMENT

CITY & COUNTY OF SAN FRANCISCO

OFFICE OF BASE REUSE AND DEVELOPMENT
CITY HALL, ROOM 448
1 DR. CARLTON B. GOODLETT PLACE
SAN FRANCISCO, CA 94102
415.554.5313 FAX 415.558.7844
WWW.SFGOV.ORG/TREASUREISLAND

GAVIN NEWSOM, MAYOR

ENTERED
JUL 2007

July 23, 2007

Kimberly Kesler
Director
Navy BRAC PMO
1455 Frazee Road, Suite 900
San Diego, CA 92108

Ms. Kesler:

On behalf of the Treasure Island Development Authority (Authority), I am pleased to submit to the U.S. Navy the Amended and Restated Economic Development Conveyance Application and Business Plan for Naval Station Treasure Island (Amended EDC Application). An Original EDC Application was submitted by the Authority in June 2000 and was amended with additional information in July 2003. In response to a request from the Navy, this Amended EDC Application is being submitted to (i) address the revised rules and regulations relating to base closure and realignment that the Department of Defense adopted in February 2006, (ii) describe the consideration that the Authority proposes to offer to the Navy as part of a for-cost EDC and (iii) make the application consistent with the current development plans for Treasure Island.

In Fall 2006, the Authority Board and the San Francisco Board of Supervisors approved the Development Plan and Term Sheet for the Redevelopment of Naval Station Treasure Island (Development Plan), marking a major step in returning the property to productive economic reuse. The adoption of the Development Plan was the culmination of a public planning process with the Authority's private master development partner, Treasure Island Community Development, LLC (TICD), that consisted of more than 150 public meetings and has resulted in a comprehensive plan that has overwhelming public support from local, state and federal officials and stakeholders.

Over the past 9 to 12 months, the Authority and TICD have provided for the Navy's review volumes of information related to the Development Plan and project economics. We have had a complete "open book" approach with the Navy in the belief that the best opportunity for a successful conclusion to the conveyance process is through good-faith negotiations. Your office informed us in April of this year that an Amended EDC Application was necessary before the Navy could formally begin the process of finally readying NSTI for transfer. With the EDC Application completed and delivered, the Authority is eager to engage with the Navy in collaborative, substantive and productive negotiations on the property conveyance.

We understand that the Navy will be receiving shortly two products from it's consultants: (1) an appraisal of the property being conducted by Ernst & Young, LLP, and (2) a review and analysis by the Navy's economic consultants of the development pro forma prepared by the Authority and TICD based on the Development Plan. We hereby request a meeting at the earliest possible date to discuss the findings of the Navy consultant analysis of the Development Plan pro forma as well as a timeline for the property transfer negotiations. Should you wish, we would be pleased at this meeting to make a presentation of the Amended EDC Application and the project economics underlying the proposed terms of consideration. Additionally, the Authority would appreciate the earliest opportunity to review the Navy's appraisal of the property.

Please contact our office to schedule a meeting in August, either here in San Francisco or in San Diego.

Sincerely,

Michael Cohen, Director
Office of Base Reuse and Development

cc: Laura Duchnak, U.S. Navy
Doug Gilkey, U.S. Navy
Scott Reed, Duff & Phelps
Bonnie Lystra
Treasure Island Community Development, LLC
Authority Board of Directors

CITY & COUNTY OF SAN FRANCISCO

OFFICE OF BASE REUSE AND DEVELOPMENT
CITY HALL, ROOM 448
1 DR. CARLTON B. GOODLETT PLACE
SAN FRANCISCO, CA 94102
415.554.5313 FAX 415.558.7844
WWW.SFGOV.ORG/TREASUREISLAND

GAVIN NEWSOM, MAYOR

RECEIVED
AUG 2007

August 6, 2007

Laura Duchnak
Director, BRAC PMO West
Navy BRAC PMO
1455 Frazee Road, Suite 900
San Diego, CA 92108

Ms. Duchnak:

Thank you for taking the time to meet with our Treasure Island redevelopment project team, including members of our private master development partner, Treasure Island Community Development, LLC, on July 29, 2007 at the Association of Defense Communities conference in Miami. As we indicated at the meeting, an Amended and Restated Economic Development Conveyance Application for Naval Station Treasure Island (Amended EDC) has been delivered to your office, representing a concrete offer from the Treasure Island Development Authority (TIDA) for compensation to the Navy for conveyance of Naval Station Treasure Island (NSTI).

As we discussed in that meeting, we think several specific actions will help facilitate a clear, efficient and rapid consummation of the property conveyance discussions for NSTI.

Map of Review and Negotiation Process. It became apparent in the meeting that our team does not have a clear understanding of the process and steps that the Navy will go through for each of the elements of the property transfer discussions. We would like to confirm that the Navy will outline the process that TIDA will be engaged in with the Navy, including the following elements:

1. *Review of Amended EDC.* At the request of the Navy, on July 25 TIDA submitted an Amended EDC providing all of the information necessary for the Navy to determine that the proposal meets the criteria for an EDC conveyance of NSTI. Please outline the remaining steps, agencies and key persons involved in the process for approval of the Amended EDC.
2. *Navy Appraisal for NSTI.* Ernst & Young, LLP is currently conducting an appraisal of NSTI. Please outline the remaining steps, agencies and key persons involved in the process for certifying the appraisal.
3. *Duff & Phelps Analysis.* For the past 12 months, our team has been taking a complete "open book" approach in providing information to, meeting with and responding to questions from Duff & Phelps, who is conducting a review of the project economics underlying the Development Plan and Term Sheet for Treasure Island that was approved by the TIDA Board of Directors and the San Francisco Board of Supervisors in Fall 2006. Please outline how the Duff & Phelps analysis will be used and the steps, agencies and key persons involved in the review and approval of that information and analysis.

4. *Reconciliation of Appraisal and Duff & Phelps Analysis.* Based on our conversation in Miami, it is our understanding that the Duff & Phelps analysis and the appraisal number will be reconciled with input from the General Services Agency. Please outline the steps, agencies and key persons involved in the process for reconciling these analyses and what information will be provided to TIDA in this process.

Schedule for EDC Transfer Negotiations. As we have consistently indicated during the course of our discussions over the past year, our team is extremely eager to begin in earnest collaborative, substantive and productive negotiations with the Navy in order to rapidly conclude the conveyance of NSTI to TIDA. As we discussed, please provide a schedule for those negotiations consistent with the outline of the steps and processes for the elements discussed above.

Meeting with Navy Staff & Duff & Phelps. We request the earliest opportunity to meet with Duff & Phelps to complete discussions about development and economic assumptions. We believe that having an opportunity to resolve any remaining differences in assumptions between our project pro forma and the Duff & Phelps analysis will actually benefit the reconciliation of the Duff & Phelps number and the appraisal. At this meeting, it may also be appropriate for our team to clarify the information and assumptions embedded in the Amended EDC pro forma, and we would be prepared to do so should that be necessary.

Thank you in advance for your attention. We look forward to working with your team in a collaborative fashion to expedite transfer of NSTI to TIDA and facilitate reuse of the property.

Sincerely,

Michael Cohen, Director
Office of Base Reuse and Development

cc: Doug Gilkey, U.S. Navy
Scott Reed, Duff & Phelps
Bonnie Lystra
Treasure Island Community Development, LLC
Authority Board of Directors



"Michael Bongiorni" <mbongiorni@sfgoodwill.org>

08/14/2007 10:58 AM

To "Kevin Newman" <knewman@sfgoodwill.org>, "Teddy Lachapelle" <tlachapelle@sfgoodwill.org>, "Armand Smith" <asmith2@sfgoodwill.org>, "Andrea McHenry"
cc "Noah Austin" <NAustin@sfgoodwill.org>, "Rachael Grossman" <rgrossman@sfgoodwill.org>, "Lisa Zimmerman" <lzimmerman@sfgoodwill.org>, "Deborah
bcc

Subject Treasure Island Donation Drive results

This past weekend Goodwill Industries conducted our second community donation drive on the island. The drive was sponsored by the Treasure Island Development Authority. This drive portrays the success of a community coming together for a great cause. I want to thank everyone that assisted with this drive.

The Drive Highlights

- The San Francisco Department of Environment was present to accept hazardous waste
- Our own Andrea McHenry and Treasure Island resident created and distributed leaflets to households.
- The "Good Neighbors" Community Group assisted residents with delivery of their items and helped load the Goodwill truck.
- Goodwill served lemonade and cookies to donors
- Andrea made **a yummy peach pie**!
- Many of the donors were return donors.

Drive Results

- 46 people donated
- 9900 total pounds donated goods
- 80% of items were clothing and small house wares
- The Treasure Island Development Authority donated 1750 pounds of new clothes that originally came from Jeremy's Department Store http://www.jeremys.com/

Recommendations

- More advance promotions --such as signage on the Island.
- E-blasts to a defined audience
- Promote event on Craigslist.org and other event sites
- Better Event Signage near the collection site
- More volunteer involvement from the community

Michael Bongiorni
Material Donations Manager
Goodwill Industries of San Francisco, San Mateo, and Marin Counties
1500 Mission Street
San Francisco, CA 94103
415-575-2116
415-575-2170 Fax
mbongiorni@sfgoodwill.org

Treasure Island Job Corps Center

655 H Avenue, Bldg. 442
Treasure Island
San Francisco, California 94130

phone: 415.277.2400
fax: 415.705.1776

August 17, 2007

Mirian Saez
Director of Island Operations
Office of the City Administrator
410 Avenue of Palms
San Francisco, CA 94130

Dear Mirian:

Please accept my letter of formal notification that the Treasure Island Job Corps Center program is interested in the operation of the Crossroad Cafe located on Treasure Island. I will submit a formal proposal to you September 21, 2007.

Should you have any questions or concerns around this time frame, please let me know.

Sincerely,

Benjie Williams
Center Director

Island Times

Environmental Investigation and Cleanup News
Former Naval Station Treasure Island
Summer 2007, Newsletter No. 13

www.bracpmo.navy.mil/bracbases/california/treasure_island

ENVIRONMENTAL UPDATE

The Navy developed this newsletter to update the community on the environmental program at former Naval Station Treasure Island (NAVSTA TI). NAVSTA TI encompasses both Treasure Island (TI) and Yerba Buena Island (YBI). The Navy established the Installation Restoration (IR) Program in 1981 to investigate and cleanup sites under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). Environmental investigations and cleanup under the IR Program and other programs began on NAVSTA TI in the mid-1980s and continue today. The Navy has identified 33 IR sites on TI and YBI and is following the regulatory process of investigating and cleaning up each site.

Please share this information with members of your family, friends, and representatives from any local organizations that may be interested. Individuals, businesses, and organizations can receive future newsletters by completing and returning the mailing coupon on the back page of this newsletter. We also welcome your comments on the newsletter.

FOCUS ON TECHNOLOGY:
How Will the Navy Investigate the Clipper Cove Skeet Range to Be Protective of Diving Ducks?



...including [illegible] Sailing, Scuba [illegible] Diving Ducks. The area [illegible] Clipper Cove [illegible] Island [illegible] Island [illegible] Island



Agnes Farres
Water Board
Representative

Next Steps

PROFILE: THE REGULATORY TEAM



Christine Katin
EPA Representative



Henry Wong
DTSC Representative

UPCOMING MILESTONES

Proposed Plans for Site 30 (Daycare Center) and Site 31 (Former South Storage Yard)

What is it?:

Why is it important?:

Where can I get a copy*?:

Record of Decision for Site 9 (Foundry) and Site 10 (Bus Painting Shop)

What is it?:

Why is it important?:

Where can I get a copy*?:

WHAT IS HAPPENING IN THE HOUSING AREA?



Contractors Use the Detector Array Towed (or DART) to Conduct Radiological Screening in Site 12



During Excavation Contractors Use Water to Control Dust



Excavation at Northpoint Drive

[illegible] to keep residents informed of [illegible] activities. If you have any questions or would like to receive [illegible] please contact [illegible] at 833-6611 or send an email to [illegible].

YERBA BUENA ISLAND ANCHORS WEST END FOR THE NEW BAY BRIDGE

[illegible] San Francisco-Oakland Bay Bridge. Bay bridge is undergoing a seismic retrofit [illegible] Caltrans, Department of Transportation. Caltrans would like to share [illegible] Bay Bridge. There are [illegible] Yerba Buena Island [illegible] Old Toll Plaza [illegible] Old Toll Plaza [illegible] Yerba Buena Island [illegible] Old Toll Plaza [illegible] Old Toll Plaza [illegible] Old Toll Plaza

COMMUNITY RELATIONS PLAN

Interviews Are Your Chance to Participate!

WHAT IS GROUNDWATER AND HOW IS IT USED AT NAVSTA TI?

Historic Photo



Water Tank No. 168 Under Construction at the Top of YBI in March 1919

TI/YBI HISTORICAL QUESTION

Did Treasure Island have a Post Office?

(see page 6 for answer)

CHECK OUT THE RESTORATION ADVISORY BOARD

[illegible]

TI/YBI HISTORICAL ANSWER

Yes. Building 258, at 5th St. and Avenue H, was the Navy Post Office from 1944 until the Naval Station closed in 1997. During WWII nearly 200 personnel were assigned, processing an average of 205,000 pieces of mail per day.

INFORMATION REPOSITORIES

[illegible]

BRAC CLEANUP TEAM CONTACT LIST

Name/Title	Organization	Phone/Fax	Address	E-mail
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NAVSTA TI IR PROGRAM SITE MAP



NAVSTA TI Mailing Coupon

If you would like to be added to the NAVSTA TI mailing list, please complete this coupon and mail it to:

James Sullivan
Naval BRAC PMO West
1455 Frazee Road
Building 1, Room 161
Treasure Island, San Francisco, CA 94130-1305

Name _____

Address _____

City _____ State _____ Zip _____

E-mail Address _____

☐ ADD MY NAME TO THE MAILING LIST ☐ DELETE MY NAME FROM THE MAILING LIST



James Sullivan
Naval BRAC PMO West
1455 Frazee Road
Building 1, Room 161
Treasure Island
San Francisco, CA 94130-1305

In This Issue:

Page 1 - Cover Story
Page 2 - The Regulatory Team
Page 3 - TI Housing Sale
Page 4 - CERCLA Documents on Web

sacbee.com
The Sacramento Bee

This story is taken from Sacbee / Travel / Bee Travel Features.

Treasure Island: Unbeatable views of San Francisco

Outtahere: Northern California day trips

By David Watts Barton - Bee Staff Writer
Published 12:00 am PDT Sunday, July 29, 2007

Years ago, a friend and I tried to get off the Bay Bridge and onto Treasure Island to watch the fireworks in San Francisco from a distance. The soldier at the front gate turned us right back onto the freeway. Treasure Island was still a military base, not a vantage point.

Nowadays, there's no one to block your entry to one of San Francisco's prime vantage points. Since it was decommissioned and opened to the public in 1997, Treasure Island has been sitting in the middle of the bay, seen by many but apparently visited by few.

"It's probably the best view of San Francisco from San Francisco," says Jack Sylvan, Treasure Island redevelopment director for San Francisco Mayor Gavin Newsom's office. "You don't get a view of downtown from anywhere else. And you see the Golden Gate Bridge, and Alcatraz ..."

And, he could add, the Bay Bridge, and the new, under- construction Bay Bridge, and Marin and the East Bay. ... Treasure Island is as in the middle of it all as you can be.

Which is one reason Sherry Wasserman and Gregg Perloff of Another Planet Entertainment chose the site for the first Treasure Island Music Festival, scheduled for the weekend of Sept. 15-16 and starring a who's who of alternative music, from dance-oriented acts like Thievery Corporation, Kinky, M.I.A. and D.J. Shadow on Sept. 15 to alternative rock bands Modest Mouse, Built To Spill and Clap Your Hands Say Yeah on Sept. 16.

"We've done private events there before; we've wanted to try for years and years, and we just decided to put it together," Wasserman says by phone from Berkeley.

"There have always been the pros and cons to it -- getting there is an issue -- but we're working on that. A lot of people haven't been there, and it's one of the most amazing sights to be seen in the Bay Area, so we figured that, if anything, people might be curious to see it."

The Treasure Island Music Festival (visit www. treasureislandmusicfestival.com for ticket information) will be the first big public event on the nearly 1-square-mile Treasure Island, but more people are becoming aware of the potential of the island, which was built with landfill in 1939.

Sylvan says that apart from weddings nearly every weekend, a nonprofit sailing center and a Job Corps center, there's not a lot of public activity on the island. But the city of San Francisco knows the island's potential. For his part, Sylvan has worked for more than four years on the project, and it's still just getting going.

"I picked a bad job to see immediate results," he jokes. "This is a big project."

He isn't kidding. A limited- liability corporation has been formed with Lennar Corp. to develop the site, which is part of the city of San Francisco, as a home for 6,000 residents and a transit hub for the San Francisco-East Bay commute.

Devon Fox, 30, lived on the island for two years starting in June 2000, and she remembers it fondly.

"I could see the Bay Bridge and the Golden Gate Bridge from my bedroom," says Fox, a Fox Sports operations manager. "We (she and three girlfriends) had a four-bedroom house for $2,400 a month. It was great, but we got to the point where it was too much like the 'Friends' apartment. It was time to grow up."

She and her former roommates now live (separately) in San Francisco. She remembers the Treasure Island house fondly, but adds, "If you wanted to go to a movie or even the grocery, you had to drive to the city or the East Bay. There wasn't a lot out there."

There still isn't.

But that will change. The city is in negotiations with the Navy, which still owns the property. Sylvan estimates the deal should be completed by 2009, and construction will begin that year -- and continue for much of the next decade.

The existing residential units will be torn down, and the land under them -- 300 of the island's 450 acres -- will be converted into a park that instantly will be the second-largest in San Francisco.

Sylvan invokes Golden Gate Park and the recently restored Crissy Field as models, and adds that the plan is for Treasure Island to be as ecologically sustainable as possible -- "one of the most sustainable development projects in the country's history," he says.

Visitors will have to use their imaginations to envision the changes. A pancake-flat square mile of mostly abandoned military buildings from its decades as a naval base, Treasure Island's buildings don't live up to the romantic name. Most are quickly built, formerly functional flattops that are boarded up, run-down or burned out. Weeds sprout from cracked pavement, and the views down the streets call to mind other former down-at-heel military towns such as Richmond to the north.

But on the edges of the island, you don't need your imagination; the views are spectacular. And that's why Treasure Island is worth a visit.

Attached by a short causeway to the natural island Yerba Buena, through which Interstate 80 runs on the Bay Bridge, Treasure Island has views in nearly every direction. The skyscrapers of San Francisco rise up like New York across the Hudson River, and the views of the Bay Bridge itself are a revelation: On its eastern side, Treasure Island offers the best views available of the new Bay Bridge as it goes up.

Treasure Island's small size makes it theoretically walkable.

Still, a recent visit showed that while it may be a compact size, Treasure Island is not yet a pedestrian paradise. Instead, this may be the place to bring your bike. Trudging around the island isn't appealing.

The reason? Treasure Island is still very much a work in progress. Or even pre-progress. Since most of the buildings are boarded up and cheaply constructed, it is a bit sad.

The exception, and quite an exception it is, is the island's main building, right off the causeway. A marvel of modern style, left over from the 1940 World's Fair held there, it serves today as the island's main administrative building, as well as a substation of the San Francisco Police Department. The building, with its curved facade and fine detail, is so compelling that director Steven Spielberg dressed it up in swastika banners and used it as a stand-in for the Berlin airport in "Indiana Jones and the Last Crusade."

Such a transformation was a temporary blip compared with the total transformation that Treasure Island will undergo over the next decade. Until then, the place is best for short visits to catch the unmatched views of San Francisco and to see the place before the transformation takes place.

That way, you can say you knew it when.

Go to: Sacbee / Back to story

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examiner.com

Local

Closure forces S.F. permits for islanders

Mike Rosenberg, The Examiner
2007-09-03 10:00:00.0
Current rank: # **4,546** of 6,628

SAN FRANCISCO -
Mark Connors is like most Treasure Island residents — a barbecue, neighbors and a special permit to get into The City are all he needs this Labor Day weekend.

Connors and fellow Treasure Islanders may be more or less cut off from the East Bay until the bridge reopens Tuesday morning, but that won't spoil their good time this holiday weekend.

"I think most people will stay on the island, to be honest," said Connors, the founder of the island's Good Neighbors group. "There are a number of individuals who are hosting barbecues. My partner and I have got about 20-30 neighbors coming over."

Connors and everyone else on the island were given access permits allowing them to travel to and from The City because the construction is on the Oakland side of the bridge. The John Stewart Company, the island's housing office, went door to door to pass out the permits to residents.

Most people on the island commute to work and do errands in The City, residents say, so being cut off from the East Bay isn't a huge deal — especially when there is barbecuing to be done at home.

"I know I plan on going to one," Treasure Island resident Kara Lander said. "It'll be a nice opportunity to get together with neighbors and we can still get to San Francisco to get all the supplies."

Residents have known about the closure for months and have been able to plan accordingly. They expect the island to be quieter than usual, figuring most visitors would shy away with the bridge closed.

"I don't really anticipate [the bridge closure] having any effect on my day-to-day," Lander said. "Most of what I've heard has been that it doesn't seem to impact a lot of people."

mrosenberg@examiner.com

Examiner

Volume 1, Issue 3
September—November 2007

ISLANDS UNITED



DENT SPOTLIGHT!



cost, Kathryn Town
community that an-

her "Military Brat",
l out of a crime ridden
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Who would you like to see on the next issue of Islands United? Send in your nominations before February 1, 2008 and to why you are nominating yourself or a neighbor.

NEIGHBORS MEETING

neral Membership Meeting of Good Neighbors of TI/YBI
turday, Sept. 15th in the ShipShape Building, by the Gym



Come out, get updated on things that are happening on the Islands and our growing organization, meet new people! Childcare and lunch will be provided for those who register to attend.

To register (and thus reserve your free lunch!): http://fd2.formdesk.com/connors/RSVP.

Do you have an article or a message that you want to share with the community? Are you moving and would like to sell some of your items? Do you have an idea on what you would like to see on the next news letter? Whatever it is, e-mail it to YLEE@Jsco.net before Feb. 14, 2008

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Local

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Examiner

KAISER PERMANENTE
SAN FRANCISCO INTERNATIONAL
DRAGON BOAT FESTIVAL
FREE SHUTTLES every 20-30 minutes between
Treasure Island and:
· San Francisco Chinatown
· Powell Street MUNI / BART Station (Parc 55 Hotel)
Festival Highlights:
· World-class dragon boat competition with over 100 teams
· Cultural performers and entertainment
· Delicious food, unique gifts and crafts
· Health & Fitness Pavilion
· Dragon Land with free, exciting children's activities
For more information visit our website at www.SFdragonboat.com or call us at 415.262.0155
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San Francisco
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A Sutter Health Affiliate
OOCL
We take it personally
Pacific Gas and Electric Company
WELLS FARGO
星島日報
KTSF 26
TREASURE ISLAND DEVELOPMENT
UNIV. COMMERCIAL BANK

Volume 1, Issue 3
September—November 2007

ISLANDS UNITED

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Empower SF	11

Save the Date!

- **August 31—September 3—Bay Bridge Closes**
- **September 3—Labor Day**
- **September 15—Good Neighbors Meeting**
- **September 29—Treasure Island Community Festival**
- **October 8—Columbus Day**
- **October 31—Happy Halloween!**
- **November 11—Veterans Day**
- **November 22—Happy Thanksgiving!**

Do you have an article or a message that you want to share with the community? Are you moving and would like to sell some of your items? Do you have an idea on what you would like to see on the next news letter? Whatever it is, e-mail it to YLEE@Jsco.net before Feb. 14, 2008

RESIDENT SPOTLIGHT!

Written by Herbert Benitez



Originally from the east cost, Kathryn Town says that Treasure Island is the community that anchored her and her family.

A home maker and former "Military Brat", Kathryn and her family moved out of a crime ridden area of Oakland, to a virtually deserted Treasure Island, which she describes as having a "good vibe and surrounding".

Her community involvement in Good Neighbors is based on the island's need for direction, with the desire to have the island's leadership to be a "community effort rather than a corporate controlled one". She believes that the community needs to become more "collaborative and connected" to demonstrate what it is fully capable of.

With the rise in crime on the island, Kathryn believes that neighbors need to "have pride in where they live and get a grip on the crime" which may be what's needed to make an effective change. Considering the limited programs available, she feels like "more people need to be involved to develop more programs to become more active".

With improved programs, Kathryn believes "better opportunities" can be available which hopefully continues the islands improvement. Her hopes for an improved "educational and medical care" system can allow the island to move "forward and become more of a community". With the rest of the island she believes "there's room for expansion".

As long as the island needs help, Kathryn will continue to contribute to what she calls the "best community in San Francisco"

Who would you like to see on the next issue of Islands United? Send in your nominations before February 1, 2008 and to why you are nominating yourself or a neighbor.

GOOD NEIGHBORS MEETING

Written by Good Neighbors



The next **General Membership Meeting of Good Neighbors of TI/YBI** will be on **Saturday, Sept. 15th** in the ShipShape Building, by the Gym



Come out, get updated on things that are happening on the Islands and our growing organization, meet new people! Childcare and lunch will be provided for those who register to attend.

To register (and thus reserve your free lunch!): http://fd2.formdesk.com/connors/RSVP.

NOISE POP AND ANOTHER PLANET ENTERTAINMENT PRESENT FIRST TREASURE ISLAND MUSIC FESTIVAL SEPT 15-16

Treasure Island Music Festival announces expanded artists line-up to include Two Gallants, Kinky, Au Revoir Simone, West Indian Girl, Sea Wolf , Film School and other newly confirmed bands.

Complimentary transportation provided to island to ticket-holders

July 18, 2007-- San Francisco, CA--- In addition to the already stellar line up for the inaugural Treasure Island Music Festival, Noise Pop and Another Planet Entertainment are thrilled to announce newly confirmed Two Gallants, Kinky, Au Revoir Simone, Sea Wolf , Dengue Fever, Kid Beyond, West Indian Girl, Honey Cut and Mocean Worker , Film School, , Devil Makes Three, Street To Nowhere and Trainwreck Riders. (Full line-up listed below)

The two-day celebration features an impressive line up of internationally renowned artists. Saturday, September 15th focuses on electronic and dance oriented acts with an eclectic bill including Thievery Corporation, DJ Shadow & Cut Chemist, Gotan Project, M.I.A., Ghostland Observatory, and Zion I. Sunday September 16th features the best and brightest in indie rock with Modest Mouse, Spoon, Built To Spill, Clap Your Hands Say Yeah, and M. Ward. Tickets available via ticketmaster.

To off-set traffic congestion and limited amount of parking on Treasure Island, Another Planet and Noise Pop will be providing transportation on and off the island to ticket holders at no additional cost to patrons. Included in Single-Day and Two-Day ticket price is complimentary parking at AT&T Park (San Francisco) with transportation to/from the island from 11AM- 11PM each day. Additional means to gain access to the island without purchasing VIP tickets or taking the complimentary shuttle from Lot A would be through Muni / AC Transit (via 108 at the Transbay Terminal), taxi service, or limo / private shuttle rental.

In line with the festival's green standards, the organizers are determined to minimizing the carbon footprint usually left by festivals of this caliber by providing yellow school buses that are biodiesel and have zero percent emissions for transportation as well as providing are fueled by bio-diesel generators. To offset whatever emissions that cannot be eliminated Another Planet Entertainment and Noise Pop will be purchasing renewable wind energy credits and investing in methane projects that create clean energy through our friends at Native Energy (www.nativeenergy.com)

Conceived by the creators of the Noise Pop Festival, one of the nation's longest running independent music festivals, and Another Planet Entertainment, independent promoter based in Berkeley, CA, the Treasure Island Music Festival not only boasts an amazing line-up but will take place in a very unique setting - smack dab in the middle of the San Francisco Bay. It is the first music-based event of this scale and scope to be held on the man-made island that was originally built to house the 1939 World's Fair.

"Another Planet Entertainment is very excited to partner with Noise Pop in bringing this unique festival to a one-a-of-a-kind location. The Treasure Island Music Festival promises a diverse aesthetic each day in one of the most picturesque spots in the Bay Area," states Allen Scott, Vice President of Another Planet Entertainment. "San Francisco does not currently have a diverse, indie-leaning outdoor event in or near the city," adds Noise Pop co-owner Jordan Kurland, "Our goal with Treasure Island is to establish a festival that mirrors what we've been able to accomplish with Noise Pop in the last 15 years: to present important, independently minded artists in a tasteful manner while providing a great experience for both the artists and fans." The two-day festival will also include plenty of interactive activities, a vending village featuring local artists and designers, as well as a diverse array of food and beverages. In the same manner that the Bay Area has long been a leader in environmental initiatives, the festival will not only implement green standards but hopes to entertain and educate concert goers with a few simple ways they can bring conservation efforts to their day-to-day lives.

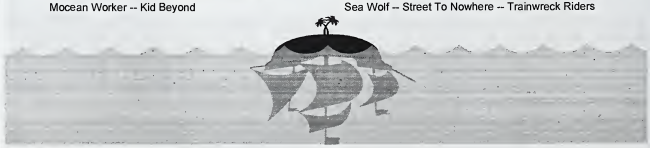
Treasure Island Music Festival runs from 12:30PM to 10 PM each day. Single day tickets cost $58.50, Two-day tickets cost $110 (limited quantity). There will also be a VIP four-pack available, which includes four VIP tickets to one day of the festival, one VIP parking spot, preferred viewing area, VIP Lounge with full bar and other amenities.

For up-to-the-minute information on Treasure Island Music Festival
please visit (treasureislandfestival.com)

For press inquires please contact Lizzie Garlinghouse/ Listen Up PR (lizzie@listenuppr.com/ 415-593-1968)

TREASURE ISLAND MUSIC FESTIVAL

Saturday, September 15th, 2007	Sunday, September 16th, 2007
THIEVERY CORPORATION	MODEST MOUSE
GOTAN PROJECT -- DJ SHADOW & CUT CHEMIST	SPOON -- BUILT TO SPILL
M.I.A. -- GHOSTLAND OBSERVATORY	CLAP YOUR HANDS SAY YEAH -- M WARD
KINKY -- ZION-I	TWO GALLANTS - EARLIMART
Dengue Fever -- Honeycut -- West Indian Girl	Au Revoir Simone -- Film School -- Devil Makes Three
Mocean Worker -- Kid Beyond	Sea Wolf -- Street To Nowhere -- Trainwreck Riders



Women Rugby Players Wanted—No Experience Necessary

Written by Amy Geene

Join the San Francisco Fog Rugby Club-Women's Side. We are a competitve side playing and training in San Francisco. We are also Tonnes of fun. Come out and make new friends. Training happens Tuesdays and Thursdays on Treasure Island, 7:30pm-9:30pm.

For more information on the club, check out our website: www.sffog.org

Play Netball in San Francisco!

San Francisco Stars Netball Club will resume practices after our summer break this Saturday, August 25th, at 9.15 am on our purpose built court on Treasure Island. Whether you're a seasoned pro, a rusty ex-player or a newbie interested in learning more about the game, all abilities and ages are welcome.



This Saturday is our 'Game Day' where we play friendly games against one another followed by a BBQ - the perfect opportunity for you to come out, meet our members and have a run around. BBQ will start after a short club meeting.

We usually train every Saturday from 9.30 to 11.30 - you can go to www.starsnetball.com.



Photo by Henning Wiekhorst from *Hong Kong: Mother of Dragons*

凱薩醫療機構

三藩市國際龍舟節

Kaiser Permanente San Francisco International Dragon Boat Festival

September 22 & 23, 2007
Saturday & Sunday
Treasure Island, San Francisco

12-AUG-2007: Registration updates: College Division is FULL. Rec/Comp Division is FULL. Youth Division - still available. Contact **Andrew Yan** if you have any registration questions.

KAISER PERMANENTE® thrive

Welcome to **Kaiser Permanente San Francisco International Dragon Boat Festival**. Come join us for a weekend of world class dragon boat racing, spectacular cultural performances, and fun-filled activities for the whole family at the largest competitive dragon boat festival in the United States!

Going into our 12th year, we will have over 100 dragon boat teams and 2,500 dragon boat paddlers from across North America racing our 500-meter course. Dragon boat teams range from novice to competitive. Novice teams represent local Bay Area corporations, public agencies, and non-profit community organizations. Recreational and competitive teams practice year round and are coming from all over the United States and Canada to battle it out in the championships.

In addition to the exciting dragon boat racing, the Festival features many fun cultural activities – an entertainment stage with live dance and music performances, Dragon Land, a children's activity tent, and a variety of food, arts & crafts, and other vendors.

Dragon Boat History

Dragon boat racing originated over 2,000 years ago as part of an ancient Chinese legend. It is only during the past 25 years that dragon boat racing has become an organized international sport. Dragon boat racing is often described as the ultimate team sport and has grown by leaps and bounds since its beginnings in the Bay Area 11 years ago. The **California Dragon Boat Association** invites you to come see for yourself the exciting sport of dragon boat racing!

You can check out: http://www.sfdragonboat.com/ for more information

SAN FRANCISCO FIRE DEPARTMENT

N. E. R. T.

Neighborhood Emergency Response Team



WHO: Everyone!!!	TRAINING COURSE OUTLINE
WHAT: Disaster Preparedness Training	**Class Session #1...** Earthquake Awareness, Preparedness and Hazard Mitigation
WHERE: Treasure Island Shipshape Community Center, Bldg 497 Avenue I between 9th and 11th	**Class Session #2...** Basic Disaster Skills; Fire Extinguishers; Hazardous Materials; Utilities Shut-offs
WHEN: Thursday evenings 6:30pm - 9:30pm October 11, 18, 25, November 1, 8 AND 15 (If you are unable to attend all sessions to complete NERT, you may make up classes at other locations.)	**Class Session #3...** Disaster Medicine
	Class Session #4... Light Search and Rescue
HOW: RSVP to sffdnert@sfgov.org or call 415-970-2024 to register. Visit www.sfgov.org/sffdnert to see more about the training, other locations, and register on line.	**Class Session # 5...** Team Organization and Management Terrorism & NERT
WHY: Hurricane Katrina has shown us the need to get prepared. You are vital to the recovery of the City after a disaster!!!	**Class Session # 6...** Hands-On Training Skills Development and Application



The Villages Garden Corner

Do You Have A Green Thumb?

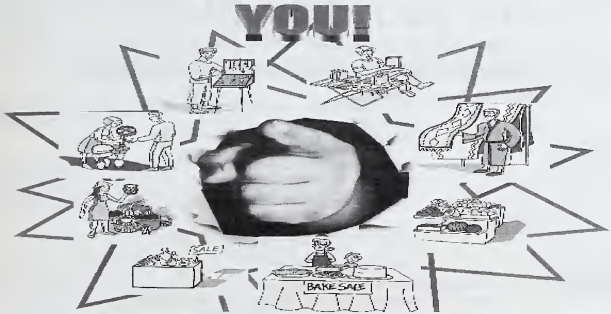
If you have a backyard or front yard that you have worked hard on and would like for us to publish it in our next newsletter, please call Sophia at the office at the number listed below. Also, please note that there is no digging allowed in the back or front yard, however the leasing office does provide pots and soil to our residents. Again, please contact Sophia for this request at 415-834-0211 ext 19.



These pictures were taken from a resident backyard on Treasure Island. The resident planted tomatoes and an assortment of fresh herbs in the pots and soils given out by our leasing office.



THE
TREASURE ISLAND CREATIVE NETWORK WANTS



TO BECOME A VENDOR AT OUR MONTHLY CRAFT FAIR AND AT OUR ANNUAL FESTIVAL BY THE BAY SEPTEMBER 29, 2007! WE ARE LOOKING FOR VENDORS OF ALL KINDS, SO IF YOU THIK YOU HAVE THAT UNIQUE PRODUCT CALL:
PALAK JOSHI AT 415-274-0311 x303
EMAIL: palak@tihdi.org
DIANE WILLIAMSON AT 415-424-9722, 415-561-7958

BACK TO SCHOOL

Monday August 27, 2007 was the start of the 2007-2008 school year. Children met up with each other at the various bus stops throughout the island, some starting kindergarten for the first time and others moving on to the next grade level. This maybe nerve racking for first time parents and may be a relief for others for the new school year. Whatever the case may be, parents need to let their children be safe and aware of their surroundings.



An important note to remember is that the San Francisco School District provides bus transportation to six elementary schools. They are as follows: Alvarado, Spring Valley, Redding, John Muir, Leonard Flynn and Starr King. For any other information please contact the SFUSD at 415-241-6000.



Students waiting for the Flynn bus on Monday, August 27, 2007.

San Francisco State University
COLLEGE of HHS - EDELMAN INSTITUTE
HEAD START/EARLY HEAD START

Are you PREGNANT?

Do you have an infant 0-3 years of age?

FREE COMPLETE **HOME BASED** PROGRAM

We serve:

- Infants and Toddlers (Birth to 3 Years Old)
- Eligible Low-Income Families
- Foster Families
- Children with Exceptional Needs
- Areas Served: Western Addition, Bayview/Hunter's Point Treasure Island, Outer Mission/Ingleside

We provide:

- 90 minute Weekly Home Visits
- Bi-Monthly Play Group
- Meals are provided

For an Application, Contact us at:

San Francisco Early Head Start Program
205 13th Street, Suite 3280
San Francisco, CA 94103
(415) 405-0500
or
Visit our website
www.sfheadstart.org

November 2007

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1 Rent Due N.E.R.T Chicken Hooray!	2	3
4	5	6	7	8 N.E.R.T Chicken Hooray!	9	10
11 Veterans Day	12	13	14 TIDA Board Meeting	15 Chicken Hooray!	16	17
18	19	20	21 Community Meeting		23	24
25	26	27	28	29 Chicken Hooray!	30	31

SCHEDULE OF EVENTS

- Nov. 1—Rent Due
- Nov. 1—N.E.R.T Training, Shipshape Community Center, 6:30 PM—9:30 PM
- Nov. 8—N.E.R.T Training, Shipshape Community Center, 6:30 PM—9:30 PM
- Nov. 11—Veterans Day
- Nov. 14—TIDA Board Meeting , 1:30 PM, San Francisco City Hall, Room 400
- Nov. 15—N.E.R.T Training, Shipshape Community Center, 6:30 PM—9:30 PM
- Nov. 21—Community Meeting, Ship Shape
- Nov. 22—Thanksgiving

Numbers to Remember

Treasure Island Development Authority
(415) 274-0660
Fax (415) 274-0299

Treasure Island Homeless Development Initiative
(415) 274-0311
Fax (415)

Island Bay Homes / Treasure Island Supportive Housing / Haight Ashbury Free Clinics
(415) 391-2404

Community Housing Partnership
(415) 743-0017

The Villages at Treasure Island
(415) 834-0211
Fax (415) 834-0210
Emergency After Hours (415) 445-2184

Fire Department
Emergency 911
Non-Emergency (415) 558-3248

Police Department
Emergency 911
Cell phone (Emergency) (415)553-8090
Non-Emergency (415) 553-0123

Good Neighbors
(415) 520-6653

Airport Service (Super Shuttle)
(800) 258-3826

Boys & Girls Club of America—San Francisco
(415) 362-1383

Kidango
(415) 834-0602

Crossroads Café'
(415) 362-5851

MUNI
(415) 673-6864

Taxi Services:
Yellow Cab—(415) 626-2345
Luxor—(415) 282-4141
DeSoto—(415) 970-1300
National—(415) 648-4444





November 9-11 2007
Olympic Distance Triathlon
1.5k, 40k, 10k
Sprint Distance Triathlon
0.25 mi, 12.4 mi, 2 mi



THE SAN FRANCISCO TRIATHLON AT TREASURE ISLAND

EVENTS: **International Distance Triathlon**
1.5k Swim, 40k Bike, 10k Run

Sprint Distance Triathlon
0.5k Swim, 20k Bike, 5k Run

LATEST NEWS: The Treasure Island Triathlon—Names "Haul To The Wall" Elite Series Championship Race.

In addition, Treasure will host the Sa Francisco ITU Triathlon Pan American Cup Race.

WHEN: Friday, November 9, 2007 — Noon—7:00 pm
Saturday, November 10, 2007 — 7:15 am—
Sunday, November 11, 2007 — 7:15 am—N

WHERE: Treasure Island, San Francisco Bay with incredible views of San Francisco and Oakland skylines.

For more information, you can visit: http://www.tricalifornia.com/treasureisland/2007/



FLEET WEEK
SAN FRANCISCO 2007

When: October 4—9, 2007
Where: San Francisco Water Front



FINANCIAL FITNESS SERIES

CREDIT IMPROVEMENT AND A$$ET DEVELOPMENT



FREE FOR ISLAND RESIDENTS

Understanding credit, improving credit and moving towards asset development…..
When? September 5th, 12th, 20th and 26th
What time? From 6 to 8 pm (evenings) – Childcare available upon request
Where? At the ShipShape Building (Building # 497 on Avenue I, Across the Gym, Treasure Island)

Hurry ….Limited seating

PLEASE REGISTER THREE DAYS IN ADVANCE WITH PALAK JOSHI AT **415 274 0311 X 303 or palak@tihdi.org**. This series is a part of the TIHDI'S Economic Self Sufficiency Program for Treasure Island/ Yerba Beuna residents.

Treasure Island Community Festival

THE FREE 9TH ANNUAL FESTIVAL

SATURDAY
SEPT 29TH
11 AM-3 PM
ON THE
GREAT LAWN



STEEL DRUM BAND

Live Music by Night Fever



- CRAFT BOOTHS
- FOOD
- ACTIVITIES

& MUCH MORE !!

FOR MORE INFO CALL
(415) 274-0311

Fabulous San Francisco Bay Views !!

Sponsored by:

Boys and Girls Club of San Francisco, Catholic Charities, CYO, Community Housing Partnership, Cornerstone International Community Church, Delancey Street, Life Learning Academy, Island Creative Garden, Fare Disposal & Recycling Co., Good Neighbors, Haight Ashbury Free Clinics, Rubicon Programs, John Stewart Company, Treasure Island Village, SF Fire Department, STPUC, Walden House, Kidango, Community Arts & Education Program of the SF Arts Commission, Treasure Island Job Corps, SF Island Community Association, Swords-to-Plowshares, Treasure Island Enterprise Marina, Treasure Island Community Development, Treasure Island Development Authority, Tool Works, Treasure Island Homeless Development Initiative, Southwest Airlines

SCHEDULE OF EVENTS

- Sept. 3—Labor Day
- Sept. 5—ABC's of Credit
- Sept. 7—Last date of submitting application for the craft vendors of the T.I. Community festival
- Sept. 12—Credit Repair
- Sept. 12—TIDA Board Meeting , 1:30 PM, San Francisco City Hall, Room 400
- Sept. 20—Community Meeting, Ship Shape Building, 7 PM
- Sept. 20—Banking Basics
- Sept. 23—Autumn Starts
- Sept. 26—Asset Development
- Sept. 29—Treasure Island Community Festival

*** For More information regarding ABC's of Credit, Credit Repair, Banking Basics, or Asset Development, please contact Palak Joshi at: palak@tihdi.org or 415-274-

September 2007

SUN	MON	TUE	WED	THU	FRI	SAT
						1 Rent Due
2	3 Labor Day	4	5 ABC's of Credit	6 Chicken	7	8
9	10	11	12 TIDA Board Meeting	13 Chicken Hooray!	14	15
16	17	18	19 Community Meeting	20 Banking Basics	21	22
23 Autumn Begins	24	25	26 Asset Development	27 Chicken Hooray!	28	29 Community Festival
30						



SCHEDULE OF EVENTS

- Oct. 1—Rent Due
- Oct. 8—Columbus Day
- Oct. 10—TIDA Board Meeting , 1:30 PM, San Francisco City Hall, Room 400
- Oct. 11—N.E.R.T Training, Shipshape Community Center, 6:30 PM—9:30 PM
- Oct. 16—Navy Environmental Restoration Advisory Board Meeting—7PM at Casa de la Vista
- Oct. 17—Community Meeting, Ship Shape
- Oct. 18—N.E.R.T Training, Shipshape Community Center, 6:30 PM—9:30 PM
- Oct. 25—N.E.R.T Training, Shipshape Community Center, 6:30 PM—9:30 PM
- Oct. 31—Happy Halloween!

October 2007

SUN	MON	TUE	WED	THU	FRI	SAT
	1 Rent Due	2	3	4 Chicken Hooray!	5	6
7	8 Columbus Day	9	10 TIDA Board Meeting	11 N.E.R.T Chicken Hooray!	12	13
14	15	16 RAB Meeting	17 Community Meeting	18 N.E.R.T Chicken Hooray!	19	20
21	22	23	24	25 N.E.R.T Chicken Hooray!	26	27
28	29	30	31 Happy Halloween!			





Dear Community Partner,

Over the last few months, a group of representatives from City Agencies, Non Profits, and Neighborhoods have been working together to create a new initiative called the Neighborhood Empowerment Network (NEN).

The goal of NEN is to make it easier for communities to partner with city agencies and non profits to improve the neighborhoods they call home. By featuring examples of how real people took on real challenges and won, the Network will be an invaluable resource to communities that want to make their neighborhoods safer, greener, cleaner, stronger and better prepared for natural disasters.

The first major NEN event will be the Neighborhood Empowerment Summit on Saturday, September 8th at Bill Graham Civic Auditorium from 9 AM to 4 PM.
This all day resource fair will feature dozens of agencies and non profits committed to working with anyone who wants to improve their neighborhood.
Additionally, the summit will include break out sessions through out the day featuring real people and partner agencies explaining how they worked together to improve their neighborhood.

This is just the beginning for NEN and we hope you'll visit the link below to sign up for the Summit today. On September 8th, we'll provide more details on the NEN and how it will help empower neighborhoods to accomplish their goals.

http://www.empowersf.org/

If you cannot attend on the 8th, use the same form to register as a NEN member and check the box that says you can't make it on Saturday, and we'll keep you up to speed on what the Network is doing to help your neighborhood.

Suspicious Forest Green Car

Written by Neighborhood Watch

Recently, a forest green, mid-sized automobile carrying up to 4 males has been spotted trolling Treasure Island. The car is often parked in tenant parking spaces on Ozborn and Bayside, with the occupants inside., and/or cruising slowly in and out of the courts. It is not known whether they are visitors or tenants of the island. The sightings have been frequent but random. The plate contains a number 4.

This car was spotted going into and out of courts in the north part of the Island today. One of the occupants was seen to get out of the car and go up down several streets on foot. Another one pulled their hoodie over their head as they drove by. Once it was apparent that several residents were observing their behaviour, the car left the north part of the Island , and the one on foot caught the bus. They seem to know each other are appear to be casing TI.

If you have information about this or have observed any other suspicious activity, please call the police non-emergency number at 415-553-0123.

If you can verify who the car belongs to please reply so we can update, or discontinue, this alert.



SAN FRANCISCO, CALIFORNIA

TREASURE ISLAND
Community Resources

Calendar • Food • Google Map • History • Community Safety
TI Related Organizations • TI/YBI Law Enforcement • Transportation

www.TreasureIslandOnline.net

Get involved with your community!

The community meeting occurs the **third Wednesday of each month** at the Ship Shape building (beside the Gym) starting 7:00 p.m.

Please send your comments or questions to:
Mark@treasureislandonline.net

Treasure Island Development Authority
Treasure Island Homeless Development Initiative
Treasure Island Villages
410 Palm Avenue
Building 1
San Francisco, CA 94130

STAMP

Mayor Gavin Newsom
Claudine Cheng, President, Treasure Island Development Authority
Mirian Saez, Director of Island Operations

Produced with the assistance of "Good Neighbors" -
A community group on TI/YBI

Important Numbers to Have

Emergency:	**Dial 911**
911 for Cell Phones:	**415-553-8090**
Non-Emergency Police Call	415-553-0123
Leasing Office	(415) 834-0211
• Maintenance	(415) 834-0211
• Emergency After Hours	(415) 445-2184
Comcast	(800) 266-2278
Good Neighbors (Community Group)	(415) 520-6653
Muni/511.Org	Dial 511
Neighborhood Watch	(415) 738-8773
Treasure Island Development Authority	(415) 274-0660
SBC/ATT	(800) 310-2355
SFICA - Community Association	erapaport@aol.com
SF Unified School District	(415) 242-2600
San Francisco Supervisor Chris Daly	(415) 554-7970
Treasure Island Creative Network	(415) 274-0311 ext. 301
Treasure Island Development Authority	(415) 274-0660
Treasure Island Homeless Dev. Initiative	(415) 274-0311

Island Related Websites

www.sfgov.org/Treasureisland	*(TI Development Authority)*
www.TIHDI.org	*(TI Homeless Dev. Initiative)*
www.TreasureIslandOnline.net	*(Community Resources/News)*
www.94130.com	*(Online community)*

Recreation

TI Sailing Center	www.tisailing.org	(415) 421-2225
Golden Gate Rugby	www.sfggrfc.com	(415) 335-3079
SF Stars Netball	www.starsnetball.com	(415) 259-8489
YMCA Gym		(415) 765-9037
Marina	www.treasure-isle.com	(415) 981-2416
Yacht Club	www.tiyc.org/	(415) 434 4475
SF Little League	www.sfll.org	(415) 263-0510

Youth

Kidango	www.kidango.org	(415) 834-0602
SF Boys & Girls Club	www.bgcsf.org	(415) 362-9037

Stores

Treasure Island Mini-Market 7 a.m. to 8 p.m., Saturday & Sunday 10 a.m. to 7 p.m.
Treasure Island Photo Booth Treasure Island front gate. Hours are variable.

Fresh Food

Chicken Hooray! The Chicken Hooray! Truck will serves fresh, hot chicken every Thursday in the Chapel Parking Lot. Please look for the red and silver checkered rotisserie truck. Hours of Operation: 3:00 PM to 7:30 PM

Restaurant

Crossroads Cafe by the Bay Treasure Island Marina parking lot, outside the Treasure Island front gate Hours of operation: Tuesday through Friday: 7 a.m. to 3 p.m., Saturday: 8 a.m. to 3 p.m *For to-go orders, please call (415) 362-5851 during regular business hours.*

Job Corps Advanced Culinary Academy Fine Dining Restaurant Job Corps - Building 368, 9th Street and Avenue C
Hours of operation: Tuesday through Thursday: 12 noon to 1 p.m. *Reservations required. Please call* ***(415) 277-2301***

Delivery to the Islands

SAFEWAY DELIVERY ==========>		**www.safeway.com**
Planet Organics	(800) 956-5855	www.planetorganics.com
Chinese Food Mae Lee	(415) 242-1006	
Gino's Pizza	(415) 922-0202	
Pizza Lover	(415) 437-9400	
Town Pizza	(415) 551-2524	

KAISER PERMANENTE

SAN FRANCISCO

INTERNATIONAL DRAGON BOAT FESTIVAL

OVER 100 TEAMS COMPETING

TREASURE ISLAND

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SEPTEMBER

22+23, 2007



- Food & Entertainment
- Children's Dragon Land
- Free Shuttles
- Free Admission

CALIFORNIA DRAGON BOAT ASSOCIATION

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THE SAN FRANCISCO-OAKLAND
BAY BRIDGE
SEISMIC SAFETY PROJECT
CALTRANS | BAY AREA TOLL AUTHORITY | CALIFORNIA TRANSPORTATION COMMISSION

Public Announcement

Yerba Buena Island and Treasure Island

Closing the Eastbound on-ramp 2 nights before Labor Day Weekend Closures Begin

- **Two nights prior to the upcoming Labor Day Weekend closure of the San Francisco-Oakland Bay Bridge that is scheduled for August 31, 2007 through September 4, 2007, the Eastbound on-ramp to Eastbound I-80 (to the East Bay) will be closed on August 29, 2007 at 8:00 PM and will remain closed until 5:00 AM Tuesday, September 4, 2007.**

- All traffic from Yerba Buena Island and Treasure Island will be detoured to the West bound on-ramp. No traffic will be allowed to enter the Oakland exit on Treasure Island Blvd.

- **Suggested Detour Route:**

  Motorists desiring to travel Eastbound need to take the Westbound detour and travel to San Francisco, take the Fremont exit, turn right at Folsom off-ramp, then go up to Harrison St. and right again to follow the detour signs to enter the First St. on-ramp. Then, continue to the eastbound I-80 freeway to the East Bay.

- On-site flaggers and SFPD will be directing traffic throughout the closure

- Please allow extra travel time.

For more information, please visit our website at www.baybridgeinfo.org or contact our public information officer, Margena Wade at (415) 597-5895.

****PLEASE, REMEMBER TO SLOW FOR THE CONE ZONES****

THANK YOU!

NOISE POP AND ANOTHER PLANET ENTERTAINMENT PRESENT

TREASURE ISLAND MUSIC FESTIVAL

THE FESTIVAL IN THE BAY

[illegible] ISLAND [illegible] WAS PROMOTED

SATURDAY 9/15

THIEVERY CORPORATION

GOTAN PROJECT ⚓ DJ SHADOW & CUT CHEMIST

M.I.A. ⚓ GHOSTLAND OBSERVATORY

KINKY ⚓ ZION - I ⚓ FLOSSTRADAMUS

DENGUE FEVER ⚓ HONEYCUT ⚓ WEST INDIAN GIRL

MOCEAN WORKER ⚓ KID BEYOND

SUNDAY 9/16

MODEST MOUSE

SPOON ⚓ BUILT TO SPILL

CLAP YOUR HANDS SAY YEAH ⚓ M.WARD

TWO GALLANTS ⚓ AU REVOIR SIMONE ⚓ EARLIMART

FILM SCHOOL ⚓ DEVIL MAKES THREE ⚓ SEA WOLF

STREET TO NOWHERE ⚓ TRAINWRECK RIDERS



1 DAY TICKETS • 2 DAY TICKETS • VIP TICKETS AVAILABLE!

www.treasureislandfestival.com

vitaminwater imeem 7 7 SPIN SF WEEKLY LAIST



NO PARKING ON THE ISLAND

[illegible] TICKETS AT TICKETMASTER.COM & TREASUREISLANDFESTIVAL.COM

[illegible] TICKETS AVAILABLE AT TOWER AND VIRGIN AT FISHERMAN'S WHARF

TIHDI



TIHDI Economic Self-Sufficiency Program (ESSP)

The Economic Self-Sufficiency Program is developed to help individuals and families attain economic self-sufficiency through trainings and seminars on financial management.

Program Components:
Financial literacy; Asset building education & support and micro-enterprise development

Program Objectives:

1. Offer education to increase knowledge leading to better financial decisions;
2. Increase access to financial institutions and products;
3. Promote individual savings, asset building and investment;
4. Encourage financial literacy among individuals, youth and families;
5. Encourage mutual support and expand personal network among residents;
6. Build the capacity of the island community by training community members (staff and other residents) to impart financial literacy;
7. Assist and empower Treasure Island Creative Network (TICN) members interested in small businesses development to strengthen their entrepreneurial capacities.

For more information call 415 274 0311 or email palak@tihdi.org

THE ESSP CLASS DESCRIPTION
FREE CLASSES FOR THE ISLAND RESIDENTS

September 5th – ABC's of Credit – Understanding credit why is credit important; what affects your credit; aspects of credit eport;

September 12th - Credit Repair – Understanding ways and means to repair credit;

September 19th- Banking Basics – Your financial security different types of accounts, credit cards and debit cards,

September 26th - Asset Development – Learning about the resources that are available towards asset development like the IDA, home ownership etc.

Notes: ABC of credit, Credit repair, banking basics and asset development is a 4 part series; Contact Palak Joshi for registration palak@tihdi.org or 415 274 0311 x303. The classes will take place at Shipshape building (Building 497, across the Gym from 6 to 8 pm in the evenings). We will be working to get childcare so please let us know if you need that service.

Treasure Island Community Festival

THE FREE 9TH ANNUAL FESTIVAL

SATURDAY
SEPT 29TH
11 AM-3 PM
ON THE
GREAT LAWN



STEEL DRUM BAND

Live Music by Night Fever



- CRAFT BOOTHS
- FOOD
- ACTIVITIES

& MUCH MORE !!

FOR MORE INFO CALL
(415) 274-0311

Fabulous San Francisco Bay Views !!

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Designed by Micah Petrone Treasure Island Job Corps Graphic Design

SAN FRANCISCO FIRE DEPARTMENT

N. E. R. T.

Neighborhood Emergency Response Team



WHO: Everyone!!!

WHAT: Disaster Preparedness Training

WHERE: Treasure Island
Shipshape Community Center, Bldg 497
Avenue I between 9th and 11th

WHEN: Thursday evenings 6:30pm - 9:30pm
October 11, 18, 25, November 1, 8 AND 15
(If you are unable to attend all sessions to complete NERT, you may make up classes at other locations.)

HOW: RSVP to sffdnert@sfgov.org or call 415-970-2024 to register. Visit www.sfgov.org/sffdnert to see more about the training, other locations, and register on line.

WHY: Hurricane Katrina has shown us the need to get prepared. You are vital to the recovery of the City after a disaster!!!

TRAINING COURSE OUTLINE

Class Session #1...
Earthquake Awareness, Preparedness and Hazard Mitigation

Class Session #2...
Basic Disaster Skills; Fire Extinguishers; Hazardous Materials; Utilities Shut-offs

Class Session #3...
Disaster Medicine

Class Session #4...
Light Search and Rescue

Class Session # 5...
Team Organization and Management
Terrorism & NERT

Class Session # 6...
Hands-On Training
Skills Development and Application



Fluorescent Bulb Collection Project at the TI Island Festival

The San Francisco Public Utilities Commission (SFPUC) is sponsoring the fourth Designated Drop-off Day for the **Fluorescent Bulb Collection Project on Treasure Island** to collect your used and unwanted fluorescent bulbs. While fluorescent bulbs may save you money in energy costs, they also contain mercury that can pollute the environment when disposed of improperly.

Why are proper storage and disposal of fluorescent bulbs important on Treasure Island?

Each fluorescent bulb contains a small quantity of mercury that can be released into the environment when not properly disposed, and can be toxic to both humans and animals if inhaled, or absorbed through the skin, or consumed in foods we eat.

What can you do to help?
Do not dispose of your used fluorescent bulbs in your regular trash or recycling bins. Instead, store them safely to avoid any breakage until you can bring them to the next Fluorescent Bulb Collection Drop-off Days.

When and Where is the next Drop-Off Day?

On **Saturday, September 29, 2007, 11 AM –3 PM**, please bring your used and unwanted fluorescent bulbs to the: 9th Annual Treasure Island Festival, the Great Lawn, Treasure Island (find the **SFPUC booth**)

How do I obtain more information about this program?

Please call the SFPUC Water Pollution Prevention Program at (415) 695-7378, or visit:

http://pollutionprevention.sfwater.org

San Francisco Water Pollution Prevention Program

Take Pride in Our Island and Our Club

Join the Boys & Girls Club of San Francisco's Treasure Island Clubhouse!

Meet Our New Staff! Get Ready for the New School Year!



Stop by and check out our after school programs

- Free One-on-One Tutoring
- Power Hour Homework Assistance
- Sports, Fitness & Recreation
- Cooking Programs
- Life Skills
- College Prep
- Teen Nights
- Field Trips

*All this and more for just $10/year
*Please be advised that BGCSF is a CLOSED CAMPUS

BOYS & GIRLS CLUBS
OF SAN FRANCISCO

401 13th Avenue & E Street
San Francisco, CA 94130
Phone: (415) 362-1383 Fax: (415) 362-1397
Clubhouse Director: Lavina DeSilva
ldesilva@kidsclub.org

Supported by the Treasure Island Development Authority

September 2007

Sun	Mon	Tue	Wed	Thu	Fri	Sat
See "Events" section on back for more details. **Deadline for October calendar: 9/15** **E-mail: marianne.thompson@sfgov.org**						1 **Bridge Closed**
2 **Bridge Closed**	3 **Bridge Closed**	4	5	6 **Chicken Hooray!** 3 pm — 7:30 pm	7	8
9	10	11	12 **TIDA Meeting** 1:30pm to 4:30 pm	13 **Chicken Hooray!** 3 pm — 7:30 pm	14	15 **Good Neighbors Meeting!** 11 am — 1:00 pm **TI Music Festival**
16 **TI Music Festival**	17	18	19 **Community Meeting** 7 pm to 8 pm	20 **Chicken Hooray!** 3 pm — 7:30 pm	21	22 **Dragon Boat Festival**
23 **Dragon Boat Festival**	24	25	26	27 **Chicken Hooray!** 3 pm — 7:30 pm	28	29 **TI Community Festival** 11 am — 4:00
30						

CONGRATULATIONS

Two members of the Golden Gate Rugby team will be participating this September in the World Cup, which is being he
Threnton Paloma, at age 17, will be the youngest player ever at a World Cup event. For Tasi Mounga, this will be his second V
competition; he participated in the 2003 event in Australia. Both players are of Pacific Island decent.

Events

Every **Thursday: 3 pm – 7:30 pm** Chicken Hooray! Serving fresh, hot chicken in the Chapel Parking lot. Please look for
checkered rotisserie truck.

Sept. 12 , 1:30 pm – 4:30 pm TIDA Meeting Treasure Island Development Authority Meeting, 2nd Wed of each month unle
specified. 1:30 - 4:30 pm unless otherwise specified. San Francisco City Hall, Room 400. E-mail TIDA@sfgov.org for more

Sept. 15, 11 am— 1 pm Good Neighbors of TI/YBI General Membership Meeting at the Shipshape Building (by the gym)

Sept. 19, 7 pm—8 pm Community Meeting at the Shipshape Building (by the gym)



Good Neighbors of TI/YBI

Quarterly General Membership Meeting

Sept. 15, 2007
11 am— 1 pm
The ShipShape Building
(By the gym)

Lunch and Childcare provided for those who register prior to the event.

Come and meet your neighbors, learn about events and concerns on the Island, help us build our community.

To register please call (415) 520-6653 or go to www.TreasureIslandOnline.net to register online.

San Francisco Fire Departm
N.E.R.T

Neighborhood Emergency Response Te

Free Training!

WHO: Everyone!!
WHAT: Disaster Preparedness Trainin
WHERE: Treasure Island
Shipshape Community Cente
Bldg 497, Ave. I between 9th
WHEN: Thursday evenings, 6:30 pm–
October 11, 18, 25, Nov. 1, 8
If you are unable to attend all
to complete NERT, you may
classes at other locations
HOW: RSVP to sffdnert@sfgov.org
415-970-2024 to register. Visi
Www.sfgov.org/sffdnert to se
About the training, other locat
Register on line.
WHY: Hurricane Katrina has shown
need to get prepared. You are
the recovery of the City aft
disaster!

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Agenda Item No. 8(b) **September 12, 2007**

Subject: **Resolution Approving and Authorizing the Director of Island Operations to extend the Cooperative Agreement with the United States Navy from October 1, 2007 to September 30, 2008.**

Staff Contact/Phone: Mirian Saez, Director of Island Operations
(415) 274-0660

SUMMARY OF PROPOSED ACTION
This item seeks the approval of the Authority's Board of Directors to execute and enter into a modification to the Cooperative Agreement with the United States Navy to extend the term of the Cooperative Agreement from October 1, 2007 to September 30, 2008.

BACKGROUND:
With the approval of the Board of Supervisors, the City and the Authority entered into a Cooperative Agreement with the United States Navy, and numerous modifications to the Cooperative Agreement, under which the City (initially) and the Authority (subsequently) agreed to assume certain responsibilities for (i) operation and maintenance for the water, waste water, storm water, electric and gas utility systems on the Base, (ii) security and public health and safety services, (iii) grounds and street maintenance and repair, and (iv) property management and caretaker services.

The current term of the Cooperative Agreement, as amended, expires on September 30, 2007. The Authority and the Navy wish to extend the term of the Cooperative Agreement from October 1, 2007 to September 30, 2008 under the same terms and conditions that existed prior to the expiration of the current term of the Cooperative Agreement.

Pursuant to the Board of Supervisors Resolution establishing the Authority, modifications to the Cooperative Agreement shall be referred to the Board of Supervisors for approval because the overall value of the Cooperative Agreement is in excess of $1 million and the term of the Cooperative Agreement is in excess of 10 years.

RECOMMENDATION:
Staff recommends approval of the modification to the Cooperative Agreement with the United States Navy as stated above.

Prepared by Peter Summerville
for Mirian Saez, Director of Island Operations

[Extension of the term of the Cooperative Agreement with the United States Navy from October 1, 2007 to September 30, 2008]

Resolution approving and authorizing the Director of Island Operations to execute a modification to the Cooperative Agreement with the United States Navy to extend the Cooperative Agreement from October 1, 2007 to September 30, 2008.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America (the "Navy"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, With the approval of the Board of Supervisors, the City and the Authority entered into a Cooperative Agreement with the United States Navy under which the City (initially) and the Authority (subsequently) agreed to assume certain responsibilities for (i) operation and maintenance for the water, waste water, storm water, electric and gas utility systems on the Base, (ii) security and public health and safety services, (iii) grounds and street maintenance and repair, and (iv) property management and caretaker services; and,

WHEREAS, The Cooperative Agreement has been amended numerous times and the current term of the Cooperative Agreement expires on September 30, 2007; and,

WHEREAS, The Authority and the Navy wish to extend the term of the Cooperative Agreement from October 1, 2007 to September 30, 2008 under the same terms and conditions as existed prior to the expiration of the current term of the Cooperative Agreement; Now Therefore, Be It

RESOLVED, That the Board of Directors hereby approves and authorizes the Director of Island Operations to execute and enter into a modification to the Cooperative Agreement to extend the term of the Cooperative Agreement from October 1, 2007 to September 30, 2008; and, be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into any additions, amendments or other modifications to the Cooperative Agreement that the Director of Island Operations determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to perform the services under the Cooperative Agreement, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on September 12, 2007.

_____

Owen Stephens, Secretary

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UNITED STATES NAVY
NAVAL FACILITIES ENGINEERING COMMAND
WASHINGTON NAVY YARD
1322 PATTERSON AVENUE SE, SUITE 1000
WASHINGTON, DC 20374-5065

COOPERATIVE AGREEMENT
NO. N62474-97-2-0003
MODIFICATION P00022

COOPERATIVE AGREEMENT

GRANTEE: CITY OF COUNTY OF SAN FRANCISO
TREASURE ISLAND DEVELOPMENT AUTHORITY
410 PALM AVENUE, BUILDING 1, ROOM 237
TREASURE ISLAND, SAN FRANCISCO, CA 94130

AUTHORITY: 31 U.S.C. Section 6305 & 10 U.S.C. Section 2687 note, section 204 (a) (2) of Defense Base Closure Act of 1988 (P. L. 100-526)

COOPERATIVE AGREEMENT MODIFICATION

The purpose of this modification, in accordance with Section 701 of the General Provisions, is to extend the current Cooperative Agreement from 01 October 2007 to 30 September 2008.

As mutually agreed herein by both parties, the costs of extended caretaker services shall be borne exclusively of and by the caretaker as an offset of existing revenue generating sources, present and future, through the extended period of the Cooperative Agreement ending 30 September 2008.

The general provisions, terms and conditions of the basic Cooperative, and all previous modifications remain the same as previously adopted.

As a result of this Modification, the total funded amount of the Cooperative Agreement remains the same at $12,848,213.00.

UNITED STATES NAVY
NAVAL FACILITIES ENGINEERING COMMAND
WASHINGTON NAVY YARD
1322 PATTERSON AVENUE SE, SUITE 1000
WASHINGTON, DC 20374-5065

COOPERATIVE AGREEMENT
NO. N62474-97-2-0003
MODIFICATION P00022

IN WITNESS WHEREOF, The parties to this Agreement by their authorized representatives hereby cause this Agreement to be executed.

For the CITY AND COUNTY
OF SAN FRANCISCO
TREASURE ISLAND DEVELOPMENT
AUTHORITY as Caretaker:

By:_____
Ms. Mirian Saez
Treasure Island Development Authority
Director of Island Operation

Date: _____

For the United States Navy:

By: _____
Mr. Robert M. Griffin
Grants Officer

Date: _____

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Agenda Item No. 8 (c) **September 12, 2007**

Subject: Resolution Approving and Authorizing the Director of Island Operations to Enter into a Utilities Services Contract with the US Coast Guard. (Action Item)

Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0660

BACKGROUND

Through the Treasure Island Development Authority (the "Authority"), the San Francisco Public Utilities Commission ("SFPUC") provides utility services to the US Coast Guard station on Yerba Buena Island. The US Coast Guard has submitted a proposed utility services contract to the Authority requesting that the Authority continue to provide utilities to the Coast Guard through a Base Term of October 1, 2007 through November 30, 2007.

The Authority performs its Base Caretaker duties on behalf of the United States Navy pursuant to the Base Caretaker Cooperative Agreement ("Agreement") as amended between United States Navy and the Authority. The agreement was initially signed on March 12, 1997 and is updated annually. Under the Agreement, the Authority is referred to as the "Caretaker."

Obligations of the Caretaker are described generally in Articles I through XI of the Agreement. Specific duties of the Caretaker are described in Function Annexes 1 through 9. Function Annex 6 – Utilities Services, describes the responsibilities of the Caretaker with respect to operation and maintenance of the utilities systems at Treasure Island and Yerba Buena Island.

According to the Agreement, "The Caretaker will be responsible for purchase of all electricity, natural gas and water consumed on TI and YBI and for purchase of electric power provided to the east water pump station serving the base." (Cooperative Agreement Modification 13, Functional Annex 6 - Technical Execution Plan Utilities Management, Paragraph 9.0 **Purchase of Utility Commodities**).

Further, the Agreement states that "The Caretaker will enter into Utility Service Contracts (USCs) with all Federal users, including the Navy or the Navy's contractors as required. The USC shall contain pertinent information regarding the utilities agreement between the Caretaker and the specific Federal user, including rates." (Cooperative Agreement Modification 13, Functional Annex 6 - Technical Execution Plan Utilities Management, Paragraph 10.0 **Billing and Payment for Utilities Consumption**).

In accord with the Cooperative Agreement, the US Coast Guard enters into successive contracts with the Authority for the provision of utilities to the YBI Coast Guard Station. Through these contracts, the Coast Guard agrees to pay the SFPUC for utilities consumed at the YBI Coast Guard station at rates approved by the SFPUC. The rates approved by the SFPUC are identical to the rates charged commercial subtenants on Treasure Island and Yerba Buena Island.

The Coast Guard has submitted a contract to the Authority for a Base Term of October 1, 2007 through November 30, 2007. The Coast Guard also has indicated its desire to negotiate certain options to extend the contract through July 1, 2010. Project Staff is negotiating with the Coast Guard, subject to the Authority Board's approval, the terms of the proposed extension options and the Authority's right to terminate the contract upon either the termination of the Cooperative Agreement or the Navy's transfer of the Base to the Authority.

RECOMMENDATION

Project Staff recommends that the Director of Island Operations be authorized to sign the Utilities Services Contract with the US Coast Guard for a Base Term of October 1, 2007 through November 30, 2007.

Exhibit A- Utilities Services Contract between the Authority and the US Coast Guard for a Base Term of October 1, 2007 through November 30, 2007.

Prepared by Marc McDonald, Facilities Manager

for Mirian Saez, Director of Island Operations

[Resolution Authorizing US Coast Guard Utilities Agreement]

Resolution approving and authorizing the Director of Island Operations to enter into a Utilities Services Contract with the US Coast Guard.

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and,

WHEREAS, On March 12, 1997, the Authority and the US Navy entered into the Base Caretaker Cooperative Agreement ("Cooperative Agreement") for the management and operation of the Base; and,

WHEREAS, On October 1, 2000, the Cooperative Agreement was amended by Modification No. P00013, to delegate to the Authority, as the Base Caretaker, the responsibility for the purchase of all electricity, natural gas and water consumed on Treasure Island and Yerba Buena Island and to enter into Utilities Service Contracts with Federal users as required; and,

WHEREAS, The US Coast Guard has requested the Authority to enter into a Utilities Service Contract with the US Coast Guard for use of utilities at certain rates for the period October 1, 2007 through November 30, 2007; and,

WHEREAS, Utilities commodities purchasing, operation and maintenance responsibilities have been work ordered by the Authority to the San Francisco Public Utilities Commission (SFPUC) and the SFPUC has approved the rates described in the Utilities Service Contract between the Authority and the US Coast Guard; now, therefore, be it

RESOLVED, That the Authority Board of Directors hereby approves and authorizes the Director of Island Operations to execute the Utilities Services Contract between the Authority and the US Coast Guard for the period from October 1, 2007 through November 30, 2007 in substantially the form of agreement attached hereto as Exhibit A.

/////

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on September 12, 2007.

_____

Owen Stephens, Secretary

AVERY™ RECYCLED PAPER MADE FROM 20% POST CONSUMER CONTENT

1. CONTRACT ID CODE	PAGE	OF PAGES
	1	3

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

2. AMENDMENT MODIFICATION NO.	3. EFFECTIVE DATE	4. REQUISITION/PURCHASE REQ. NO	5. PROJECT NO (*If applicable*)
A00001	10/01/07	2408YB1970001	

6. ISSUED BY	CODE	7. ADMINISTERED BY (*If other than Item 6*)	CODE
COMMANDER (fcp-1) USCG MAINTENANCE & LOGISTICS COMMAND PACIFIC BLDG. 54C, COAST GUARD ISLAND ALAMEDA, CA 94501-5100		SAME AS ISSUED BY	

8. NAME AND ADRESS OF CONTRACTOR (*No., street, county, State and ZIP Code*)	√	9 A AMENDMENT OF SOLICITATION NO.
Treasure Island Development Authority For City and County of San Francisco 410 Avenue of the Palms Treasure Island San Francisco, CA 94130	X	HSCG89-08-R-970001
	X	9B. DATE (*SEE ITEM 11*) June 15, 2007
		10A. MODIFICATION OF CONTRACT ORDER
		10B. DATED (*SEE ITEM 13*)
CODE FACILITY CODE		

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☐ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning _1_copy of the amendment; (b) By acknowledging receipt of this amendment on each copy of the Offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified **SEE Item 14 for extended receipt date.**

12. ACCOUNTING AND APPROPRIATION DATA (*If required*)

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

√	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (*Specify authority*) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT/ ORDER NO. IN ITEM 10A
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (*such as changes in paying office, appropriation data, etc*) SET FORTH IN ITEM 14, PURSUANT TO AUTHORITY OF FAR 43.103(b)
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
	D. OTHER (*Specify type of modification and authority*).

E. IMPORTANT: Contractor is not ☐ , [X] is required to sign this document and return __1__ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (*Organized by UCF section headings, including solicitation/contract subject matter where feasible.*)

This Amendment is issued for solicitation HSCG89-08-R-970001 for the following reasons:

a. Delete Option Term One, Two, and Three, leaving only base Term October 1, 2007 – November 30, 2007.
b. Changing date on page 10 of 29, Section II. Paragraph 52.241-3 from not to exceed date July 31, 2010 to November 30, 2007.
c. Changing dates on page 15 of 29, Section IV, FAR 52.217-9 from 25 days; 60 days; 5 years to 15 days, 10 days, 1 year.
d. Replacement pages 10 & 15 are attached.
e. There are no other changes.

Except as provide herein, all terms and conditions of the document referenced in item 9A or 10a, as hereto changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (*Type or print*)		16A NAME AND TITLE OF CONTRACTING OFFICER (*Type or print*)	
15. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA	16C. DATE SIGNED
(*Signature of person authorized to sign*)		(*Signature of Contracting Officer*)	

SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS OFFEROR TO COMPLETE BLOCKS 12, 17, 23, 24 & 30			1. REQUISITION NUMBER 2408YB1970001	PAGE 1 of 29
2. CONTRACT NUMBER	3. AWARD/EFFECTIVE DATE	4. ORDER NUMBER	5. SOLICITATION NUMBER HSCG89-08-R-970001	6. SOLICITATION ISSUE DATE JULY 19, 2007
7. FOR SOLICITATION INFORMATION CALL: ▶	a. NAME Mary Myers, Contracting Officer Email: MARY.K.MYERS@uscg.mil		b. TELEPHONE NUMBER (No collect calls) (510) 437-3844	8. OFFER DUE DATE/LOCAL TIME SEPT 7, 2007, 1400 PT

9. ISSUED BY	CODE	10. THIS ACQUISITION IS	11. DELIVERY FOR FOB	12. DISCOUNT TERMS
COMMANDER (fcp-2) MAINTENANCE & LOGISTICS COMMAND PACIFIC COAST GUARD ISLAND, BLDG. 54C ALAMEDA, CA 94501-5100 TEL: (510) 437-3844 FAX: (510) 437-3014		UNRESTRICTED SET-ASIDE 100 % FOR SMALL BUSINESS HUBZONE SMALL BUSINESS 8(A) X SOLE SOURCE NAICS: 22111 SIZE STANDARD: NTE FOUR MILLION MEGAWATT HRS	Destination UNLESS BOX IS MARKED SEE SCHEDULE	
			13a. THIS CONTRACT IS RATED ORDER UNDER DPAS (15 CFR 700)	
			13b. RATING	
			14. METHOD OF SOLICITATION RFQ IFB X RFP	

15. DELIVER TO	CODE	16. ADMINISTERED BY	CODE
SEE ATTACHED		SAME AS ISSUED BY	

17. CONTRACTOR/ OFFEROR	CODE	FACILITY CODE	18a. PAYMENT WILL BE MADE BY	CODE
TREASURE ISLAND DEVELOPMENT AUTHORITY FOR CITY AND COUNTY OF SAN FRANCISO 410 AVENUE OF THE PALMS TREASURE ISLAND, SAN FRANCISCO, CA 94130 DUNS# _____ TELEPHONE NO _____			COMMERCIAL INVOICES USCG FINANCE CENTER P.O. BOX 4115 CHESAPEAKE, VA 23326-4109	
17B. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER			18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a UNLESS BELOW IS CHECKED SEE ADDENDUM	

19. ITEM NO	20. SCHEDULE OF SUPPLIES/SERVICES	21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT
	See Attached ADDENDUM SCHEDULE OF SUPPLIES/ SERVICES				

CONTINUANCE OF SF 1449 BLOCKS 19-24
SCHEDULE OF SUPPLIES/SERVICES

BASE TERM: October 01, 2007 – November 30, 2007 (2 Months)

CLINs 2001AA through 2003AD are for non-personal services for gas, electricity, water, and sewer as defined in the Cooperative Agreement No. N62474-97-2-003 P00001, Functional Annex 6 – Utility Services between the City and County of San Francisco (a Municipal Corporation) and the United States Navy. Payments will be in accordance with the amounts of actual Coast Guard usage. All services shall be performed in accordance with Functional Annex 6 and the terms and conditions of the solicitation/contract at Yerba Buena Island, California. The Contractor shall provide electricity, water, sewer, and gas utility services at Yerba Buena Island for U.S. Coast Guard's Sector San Francisco, Vessel Traffic Services San Francisco, Flag & Senior Officers Quarters A,B,C,8&9.

CLIN NO.	SCHEDULE OF SUPPLIES/SERVICES	EST QTY	UNIT	UNIT PRICE	AMOUNT
0001	**Sector San Francisco**				
0001AA	Electricity	406	MWHR	$142.75	$57,956.50
0001AB	Water	774	KGAL	$5.40	$4,179.60
0001AC	Sewer	774	KGAL	$5.75	$4,450.50
	(Sewer rate represents 100% of water usage.)				
Total for Contract Line Item Number 1001AA through 1001AC					$ 66,586.60

CLIN NO.	SCHEDULE OF SUPPLIES/SERVICES	EST QTY	UNIT	UNIT PRICE	AMOUNT
0002	**Vessel Traffic Service San Francisco**				
0002AA	Electricity	50	MWHR	$142.75	$7,137.50
0002AB	Water	26	KGAL	$5.40	$140.40
0002AC	Sewer	26	KGAL	$5.75	$149.50
	(Sewer rate represents 100% of water usage.)				
Total for Contract Line Item Number 1002AA through 1002AC					$7,427.40

CLIN NO.	SCHEDULE OF SUPPLIES/SERVICES	EST QTY	UNIT	UNIT PRICE	AMOUNT
0003	**Flag & Senior Officers Quarters: A,B,C, 8& 9**				
0003AA	Electricity	28	MWHR	$142.75	$3997.00
0003AB	Water	750	KGAL	$5.40	$4,050.00
0003AC	Sewer (Sewer rate represents 100% of water usage.)	750	KGAL	$5.75	$4,312.50
0003AD	Gas	104	MCF	$8.57	$891.28
Total for Contract Line Item Number 103AA through 103AD					**$13,250.78**

Total for Contract Line Numbers 0001AA through 0003AD $ 87,264.78

OPTION TERM ONE – 01 December 2007 – November 30, 2008 (12 months)

CLINs 0001AA through 0003AD are for non-personal services for gas, electricity, water, and sewer as defined in the Cooperative Agreement No. N62474-97-2-003 P00001, Functional Annex 6 – Utility Services between the City and County of San Francisco (a Municipal Corporation) and the United States Navy. Payments will be in accordance with the amounts of actual Coast Guard usage. All services shall be performed in accordance with Functional Annex 6 and the terms and conditions of the solicitation/contract at Yerba Buena Island, California. The Contractor shall provide electricity, water, sewer, and gas utility services at Yerba Buena Island for U.S. Coast Guard's Sector San Francisco, Vessel Traffic Services San Francisco, Flag & Senior Officers Quarters A,B,C,8&9.

CLIN NO.	SCHEDULE OF SUPPLIES/SERVICES	EST QTY	UNIT	UNIT PRICE	AMOUNT
1001	Sector San Francisco				
1001AA	Electricity	2,434	MWHR	_____	_____
1001AB	Water	4,644	KGAL	_____	_____
1001AC	Sewer	4,644	KGAL	_____	_____
	(Sewer rate represents 100% of water usage.)				

Total for Contract Line Item Number 1001AA through 1001AC _____ $_____

CLIN NO.	SCHEDULE OF SUPPLIES/SERVICES	EST QTY	UNIT	UNIT PRICE	AMOUNT
1002	Vessel Traffic Service San Francisco				
1002AA	Electricity	300	MWHR	_____	_____
1002AB	Water	164	KGAL	_____	_____
1002AC	Sewer	164	KGAL	_____	_____
	(Sewer rate represents 100% of water usage.)				

Total for Contract Line Item Number 1002AA through 1002AC _____ $_____

CLIN NO.	SCHEDULE OF SUPPLIES/SERVICES	EST QTY	UNIT	UNIT PRICE	AMOUNT
1003	Flag & Senior Officers Quarters: A,B,C, 8& 9				
1003AA	Electricity	176	MWHR	_____	_____
1003AB	Water	4498	KGAL	_____	_____
1003AC	Sewer (Sewer rate represents 100% of water usage.)	4498	KGAL	_____	_____
1003AD	Gas	626	MCF	_____	_____

Total for Contract Line Item Number 1003AA through 1003AD _____ $_____

Total for Contract Line Numbers 1001AA through 1003AD _____ $_____

SCHEDULE OF SUPPLIES/SERVICES

OPTION TERM TWO – 01 December 2008 – November 30, 2009 (12 months)

CLINs 0001AA through 0003AD are for non-personal services for gas, electricity, water, and sewer as defined in the Cooperative Agreement No. N62474-97-2-003-P00001, Functional Annex 6 – Utility Services between the City and County of San Francisco (a Municipal Corporation) and the United States Navy. Payments will be in accordance with the amounts of actual Coast Guard usage. All services shall be performed in accordance with Functional Annex 6 and the terms and conditions of the solicitation/contract at Yerba Buena Island, California. The Contractor shall provide electricity, water, sewer, and gas utility services at Yerba Buena Island for U.S. Coast Guard's Sector San Francisco, Vessel Traffic Services San Francisco, Flag & Senior Officers Quarters A,B,C,8&9. –

CLIN NO.	SCHEDULE OF SUPPLIES/SERVICES	EST QTY	UNIT	UNIT PRICE	AMOUNT
2001	Sector San Francisco				
2001AA	Electricity	1,217	MWHR		
2001AB	Water	2,322	KGAL		
2001AC	Sewer	2,322	KGAL		
	(Sewer rate represents 100% of water usage.)				

Total for Contract Line Item Number 0001AA through 0001AC $

CLIN NO.	SCHEDULE OF SUPPLIES/SERVICES	EST QTY	UNIT	UNIT PRICE	AMOUNT
2002	Vessel Traffic Service San Francisco				
2002AA	Electricity	150	MWHR		
2002AB	Water	82	KGAL		
2002AC	Sewer	82	KGAL		
	(Sewer rate represents 100% of water usage.)				

Total for Contract Line Item Number 2002AA through 2002AC $

CLIN NO.	SCHEDULE OF SUPPLIES/SERVICES	EST QTY	UNIT	UNIT PRICE	AMOUNT
2003	Flag & Senior Officers Quarters: A,B,C, 8& 9				
2003AA	Electricity	88	MWHR		
2003AB	Water	2,249	KGAL		
2003AC	Sewer (Sewer rate represents 100% of water usage.)	2,249	KGAL		
2003AD	Gas	313	MCF		

Total for Contract Line Item Number 2003AA through 2003AD $

Total for Contract Line Numbers 2001AA through 2003AD $

SCHEDULE OF SUPPLIES/SERVICES

OPTION TERM THREE 01 December 2009 – July 31, 2010 (8 months)

CLINs 0001AA through 0003AD are for non-personal services for gas, electricity, water, and sewer as defined in the Cooperative Agreement No. N62474-97-2-003 P00001, Functional Annex 6 – Utility Services between the City and County of San Francisco (a Municipal Corporation) and the United States Navy. Payments will be in accordance with the amounts of actual Coast Guard usage. All services shall be performed in accordance with Functional Annex 6 and the terms and conditions of the solicitation/contract at Yerba Buena Island, California. The Contractor shall provide electricity, water, sewer, and gas utility services at Yerba Buena Island for U.S. Coast Guard's Sector San Francisco, Vessel Traffic Services San Francisco, Flag & Senior Officers Quarters A,B,C,8&9.

CLIN NO.	SCHEDULE OF SUPPLIES/SERVICES	EST QTY	UNIT	UNIT PRICE	AMOUNT
3001	Sector San Francisco				
3001AA	Electricity	1,217	MWHR	_____	_____
3001AB	Water	2,322	KGAL	_____	_____
3001AC	Sewer (Sewer rate represents 100% of water usage.)	2,322	KGAL	_____	_____

Total for Contract Line Item Number 0001AA through 0001AC $_____

CLIN NO.	SCHEDULE OF SUPPLIES/SERVICES	EST QTY	UNIT	UNIT PRICE	AMOUNT
3002	Vessel Traffic Service San Francisco				
3002AA	Electricity	150	MWHR	_____	_____
3002AB	Water	82	KGAL	_____	_____
3002AC	Sewer (Sewer rate represents 100% of water usage.)	82	KGAL	_____	_____

Total for Contract Line Item Number 2002AA through 2002AC $_____

CLIN NO.	SCHEDULE OF SUPPLIES/SERVICES	EST QTY	UNIT	UNIT PRICE	AMOUNT
3003	Flag & Senior Officers Quarters: A,B,C, 8& 9				
3003AA	Electricity	88	MWHR	_____	_____
3003AB	Water	2,249	KGAL	_____	_____
3003AC	Sewer (Sewer rate represents 100% of water usage.)	2,249	KGAL	_____	_____
3003AD	Gas	313	MCF	_____	_____

Total for Contract Line Item Number 3003AA through 3003AD $_____

Total for Contract Line Numbers 3001AA through 3003AD $_____

I. ADDENDUM TO FAR 52.212-4 (Feb 2007) CONTRACT TERMS AND CONDITIONS – COMMERCIAL ITEMS

a. Paragraph (g) Invoice: The Contractor shall submit no more than one invoice per month. Invoices for usage/recurring service charges shall be submitted to:

Original: Utilities/Telephones
USCG Finance Center
P.O.Box 4111
Chesapeake, VA 23327

Copies: Send one appropriate copy to the following:

SECTOR SAN FRANCISCO
Yerba Buena Island, Bldg 1
San Francisco, CA 94130-5000

FLAG/SENIOR QUARTERS
ISC Comptroller
Coast Guard Island, Bldg. 42
Alameda, CA 94501-5100

VTS SAN FRANCISCO
Yerba Buena Island
San Francisco, CA 94130-9309

Important: Insert Contract Number on ALL correspondence.

The following is provided for informational purposes only, refer to Clause 52.212-4 Contract Terms and Conditions – Commercial Items for specifics. **Offerors are advised that FAR 52.212-1 Instructions to Offerors – Commercial Items, and FAR 52.212-4 Contract Terms and Conditions are incorporated by reference in block 27a of the SF1449 of this solicitation**

Mandatory CCR Registration. The U.S. Coast Guard uses the Central Contractor Registration (CCR) System run by the Department of Defense for making contractor payments. In order to receive payments, all contractors must be registered in this System. For more information on CCR, and to register on-line, you may visit the CCR website at www.ccr.dlsc.dla.mil.

Inquiries regarding payment should be directed to the Customer Service Representative, USCG Finance Center at (800-564-5504) or e-mail cscall@fincen.uscg.mil.

b. (p) Limitation of Liability. is revised to read:
LIABILITY

a. The Contractor shall be liable for and shall at all times defend, indemnify and hold harmless the Government, its officers, enlisted personnel, agents and employees from and against any all loss, damage or injury, including property damage, personal injury and death, which may be sustained by any person or persons, whether they be employees, agents, or representatives of the parties hereto, or third persons, as a result of the Contractor's performance of this contract. The Contractor also shall be liable for and shall at all times defend, indemnify and hold harmless the Government, its officers, enlisted personnel, agents and employees from and against any and all public or private environmental claims or liabilities shall include but not be limited to civil and criminal penalties, natural resource damages, response costs, cleanup and remediation, damage to Government and third party property, and any other third party liability.

b. In the event any such claim or demand is made upon the Government, its officers, enlisted personnel, agents or employees, or in the event any suit therefore is instituted, the Government shall give immediate notice of such claim or suit to the Contractor and will refrain from any payment or demand with respect to such claim or suit without first allowing the Contractor a reasonable opportunity to resolve the claim. The Contractor's liability under this clause shall include

reimbursement to the Government, its officers, enlisted personnel, agents and employees for any judgments, payments or litigation expenses occasioned to them in connection with claims, demands or suits of which notice has been given by the Government.

c. The Contractor releases the Government, its officers, enlisted personnel, agents and employees from any liability for any loss, damage or injury, which may be sustained by the Contractor in the performance of this contract.

d. Notwithstanding any other provisions of this clause, the Contractor shall not be liable for or required to defend, indemnify, hold harmless or release the Government, its officers, enlisted personnel, agents and employees for any judgement, payments or expenses arising out of and to the extent of the gross negligence, willful misconduct or criminal acts of the Government, its officers, enlisted personnel, agents or employees.

52.212-5 Contract Terms and Conditions Required to Implement Statutes or Executive Orders—Commercial Items. (Mar 2007)

(a) The Contractor shall comply with the following Federal Acquisition Regulation (FAR) clauses, which are incorporated in this contract by reference, to implement provisions of law or Executive orders applicable to acquisitions of commercial items:

(1) 52.233-3, Protest After Award (AUG 1996) (31 U.S.C. 3553).

(2) 52.233-4, Applicable Law for Breach of Contract Claim (OCT 2004) (Pub. L. 108-77, 108-78)

(b) The Contractor shall comply with the FAR clauses in this paragraph (b) that the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items:

[*Contracting Officer check as appropriate.*]

X_ (1) 52.203-6, Restrictions on Subcontractor Sales to the Government (Sept 2006), with Alternate I (Oct 1995) (41 U.S.C. 253g and 10 U.S.C. 2402).

__ (2) 52.219-3, Notice of Total HUBZone Set-Aside (Jan 1999) (15 U.S.C. 657a).

__ (3) 52.219-4, Notice of Price Evaluation Preference for HUBZone Small Business Concerns (JULY 2005) (if the offeror elects to waive the preference, it shall so indicate in its offer) (15 U.S.C. 657a).[

__ (4) Reserved]

__ (5)(i) 52.219-6, Notice of Total Small Business Set-Aside (June 2003) (15 U.S.C. 644).

__ (ii) Alternate I (Oct 1995) of 52.219-6.

__ (iii) Alternate II (Mar 2004) of 52.219-6.

__ (6)(i) 52.219-7, Notice of Partial Small Business Set-Aside (June 2003) (15 U.S.C. 644).

__ (ii) Alternate I (Oct 1995) of 52.219-7.

__ (iii) Alternate II (Mar 2004) of 52.219-7.

X__ (7) 52.219-8, Utilization of Small Business Concerns (May 2004) (15 U.S.C. 637(d)(2) and (3)).

__ (8)(i) 52.219-9, Small Business Subcontracting Plan (Sept 2006) (15 U.S.C. 637(d)(4).

__ (ii) Alternate I (Oct 2001) of 52.219-9.

__ (iii) Alternate II (Oct 2001) of 52.219-9.

__ (9) 52.219-14, Limitations on Subcontracting (Dec 1996) (15 U.S.C. 637(a)(14)).

__ (10) 52.219-16, Liquidated Damages—Subcontracting Plan (Jan 1999) (15 U.S.C. 637(d)(4)(F)(i)).

__ (11)(i) 52.219-23, Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns (SEPT 2005) (10 U.S.C. 2323) (if the offeror elects to waive the adjustment, it shall so indicate in its offer).

__ (ii) Alternate I (June 2003) of 52.219-23.

__ (12) 52.219-25, Small Disadvantaged Business Participation Program—Disadvantaged Status and Reporting (Oct 1999) (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323).

__ (13) 52.219-26, Small Disadvantaged Business Participation Program—Incentive Subcontracting (Oct 2000) (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323).

__ (14) 52.219-27, Notice of Total Service-Disabled Veteran-Owned Small Business Set-Aside (May 2004).

_X_ (15) 52.222-3, Convict Labor (June 2003) (E.O. 11755).

__ (16) 52.222-19, Child Labor—Cooperation with Authorities and Remedies (Jan 2006) (E.O. 13126).

X__ (17) 52.222-21, Prohibition of Segregated Facilities (Feb 1999).

_X_ (18) 52.222-26, Equal Opportunity (Mar 2007) (E.O. 11246).

_X_ (19) 52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Sept 2006) (38 U.S.C. 4212).

_X_ (20) 52.222-36, Affirmative Action for Workers with Disabilities (Jun 1998) (29 U.S.C. 793).

_X_ (21) 52.222-37, Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Sept 2006) (38 U.S.C. 4212).

_X_ (22) 52.222-39, Notification of Employee Rights Concerning Payment of Union Dues or Fees (Dec 2004) (E.O. 13201).

__ (23)(i) 52.223-9, Estimate of Percentage of Recovered Material Content for EPA-Designated Products (Aug 2000) (42 U.S.C. 6962(c)(3)(A)(ii)).

__ (ii) Alternate I (Aug 2000) of 52.223-9 (42 U.S.C. 6962(i)(2)(C)).

__ (24) 52.225-1, Buy American Act—Supplies (June 2003) (41 U.S.C. 10a-10d).

(25)(i) 52.225-3, Buy American Act—Free Trade Agreements—Israeli Trade Act (Nov 2006) (41 U.S.C. 10a-10d, 19 U.S.C. 3301 note, 19 U.S.C. 2112 note, Pub. L 108-77, 108-78, 108-286, 109-53 and 109-169).

__ (ii) Alternate I (Jan 2004) of 52.225-3.

__ (iii) Alternate II (Jan 2004) of 52.225-3.

__ (26) 52.225-5, Trade Agreements (Nov 2006) (19 U.S.C. 2501, *et seq.*, 19 U.S.C. 3301 note).

__ (27) 52.225-13, Restrictions on Certain Foreign Purchases (Feb 2006) (E.o.s, proclamations, and statutes administered by the Office of Foreign Assets Control of the Department of the Treasury).

__ (28) 52.226-4, Notice of Disaster or Emergency Area Set-Aside (42 U.S.C. 5150).

__ (29) 52.226-5, Restrictions on Subcontracting Outside Disaster or Emergency Area (42 U.S.C. 5150).

__ (30) 52.232-29, Terms for Financing of Purchases of Commercial Items (Feb 2002) (41 U.S.C. 255(f), 10 U.S.C. 2307(f)).

__ (31) 52.232-30, Installment Payments for Commercial Items (Oct 1995) (41 U.S.C. 255(f), 10 U.S.C. 2307(f)).

_X_ (32) 52.232-33, Payment by Electronic Funds Transfer—Central Contractor Registration (Oct 2003) (31 U.S.C. 3332).

__ (33) 52.232-34, Payment by Electronic Funds Transfer—Other than Central Contractor Registration (May 1999) (31 U.S.C. 3332).

__ (34) 52.232-36, Payment by Third Party (May 1999) (31 U.S.C. 3332).

__ (35) 52.239-1, Privacy or Security Safeguards (Aug 1996) (5 U.S.C. 552a).

__ (36)(i) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (Feb 2006) (46 U.S.C. Appx. 1241(b) and 10 U.S.C. 2631).

__ (ii) Alternate I (Apr 2003) of 52.247-64.

(c) The Contractor shall comply with the FAR clauses in this paragraph (c), applicable to commercial services, that the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items:

[*Contracting Officer check as appropriate.*]

__ (1) 52.222-41, Service Contract Act of 1965, as Amended (July 2005) (41 U.S.C. 351, *et seq.*).

__ (2) 52.222-42, Statement of Equivalent Rates for Federal Hires (May 1989) (29 U S.C. 206 and 41 U.S.C. 351, *et seq.*).

__ (3) 52.222-43, Fair Labor Standards Act and Service Contract Act—Price Adjustment (Multiple Year and Option Contracts) (Nov 2006) (29 U.S.C. 206 and 41 U.S.C. 351, *et seq.*).

__ (4) 52.222-44, Fair Labor Standards Act and Service Contract Act—Price Adjustment (Feb 2002) (29 U.S.C. 206 and 41 U.S.C. 351, *et seq.*).

(d) *Comptroller General Examination of Record.* The Contractor shall comply with the provisions of this paragraph (d) if this contract was awarded using other than sealed bid, is in excess of the simplified acquisition threshold, and does not contain the clause at 52.215-2, Audit and Records—Negotiation.

(1) The Comptroller General of the United States, or an authorized representative of the Comptroller General, shall have access to and right to examine any of the Contractor's directly pertinent records involving transactions related to this contract.

(2) The Contractor shall make available at its offices at all reasonable times the records, materials, and other evidence for examination, audit, or reproduction, until 3 years after final payment under this contract or for any shorter period specified in FAR Subpart 4.7, Contractor Records Retention, of the other clauses of this contract. If this contract is completely or partially terminated, the records relating to the work terminated shall be made available for 3 years after any resulting final termination settlement. Records relating to appeals under the disputes clause or to litigation or the settlement of claims arising under or relating to this contract shall be made available until such appeals, litigation, or claims are finally resolved.

(3) As used in this clause, records include books, documents, accounting procedures and practices, and other data, regardless of type and regardless of form. This does not require the Contractor to create or maintain any record that the Contractor does not maintain in the ordinary course of business or pursuant to a provision of law.

(e)(1) Notwithstanding the requirements of the clauses in paragraphs (a), (b), (c), and (d) of this clause, the Contractor is not required to flow down any FAR clause, other than those in paragraphs (i) through (vii) of this paragraph in a subcontract for commercial items. Unless otherwise indicated below, the extent of the flow down shall be as required by the clause—

(i) 52.219-8, Utilization of Small Business Concerns (May 2004) (15 U.S.C. 637(d)(2) and (3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except

subcontracts to small business concerns) exceeds $550,000 ($1,000,000 for construction of any public facility), the subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.

(ii) 52.222-26, Equal Opportunity (Mar 2007) (E.O. 11246).

(iii) 52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Sept 2006) (38 U.S.C. 4212).

(iv) 52.222-36, Affirmative Action for Workers with Disabilities (June 1998) (29 U.S.C. 793).

(v) 52.222-39, Notification of Employee Rights Concerning Payment of Union Dues or Fees (Dec 2004) (E.O. 13201).

(vi) 52.222-41, Service Contract Act of 1965, as Amended (July 2005), flow down required for all subcontracts subject to the Service Contract Act of 1965 (41 U.S.C. 351, *et seq.*).

(vii) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (Feb 2006) (46 U.S.C. Appx. 1241(b) and 10 U.S.C. 2631). Flow down required in accordance with paragraph (d) of FAR clause 52.247-64.

(2) While not required, the contractor may include in its subcontracts for commercial items a minimal number of additional clauses necessary to satisfy its contractual obligations.

II. THE FOLLOWING ADDITIONAL CLAUSES ARE INCORPORATED IN FULL TEXT.

52.241-3 Scope and Duration of Contract. (Feb 1995)

(a) For the period **On or about October 1, 2007 and not to exceed November 30, 2007** , the Contractor agrees to furnish and the Government agrees to purchase **Electricity, Water, Sewer, and Gas Utility Services** in accordance with the applicable tariff(s), rules, and regulations as approved by the applicable governing regulatory body and as set forth in the contract.
(b) It is expressly understood that neither the Contractor nor the Government is under any obligation to continue any service under the terms and conditions of this contract beyond the expiration date.
(c) The Contractor shall provide the Government with one complete set of rates, terms, and conditions of service which are in effect as of the date of this contract and any subsequently approved rates.
(d) The Contractor shall be paid at the applicable rate(s) under the tariff and the Government shall be liable for the minimum monthly charge, if any, specified in this contract commencing with the period in which service is initially furnished and continuing for the term of this contract. Any minimum monthly charge specified in this contract shall be equitably prorated for the periods in which commencement and termination of this contract become effective.

52.241-6 Service Provisions. (Feb 1995)

(a) *Measurement of service.*
All service furnished by the Contractor shall be measured by suitable metering equipment of standard manufacture, to be furnished, installed, maintained, repaired, calibrated, and read by the Contractor

at its expense. When more than a single meter is installed at a service location, the readings thereof may be billed conjunctively, if appropriate. In the event any meter fails to register (or registers incorrectly) the service furnished, the parties shall agree upon the length of time of meter malfunction and the quantity of service delivered during such period of time. An appropriate adjustment shall be made to the next invoice for the purpose of correcting such errors. However, any meter which registers not more than **5%** percent slow or fast shall be deemed correct.

(2) The Contractor shall read all meters at periodic intervals of approximately 30 days or in accordance with the policy of the cognizant regulatory body or applicable bylaws. All billings based on meter readings of less than **30** days shall be prorated accordingly.

(b) *Meter test.*

(1) The Contractor, at its expense, shall periodically inspect and test Contractor-installed meters at intervals not exceeding **1** year(s). The Government has the right to have representation during the inspection and test.

(2) At the written request of the Contracting Officer, the Contractor shall make additional tests of any or all such meters in the presence of Government representatives. The cost of such additional tests shall be borne by the Government if the percentage of errors is found to be not more than **5%** percent slow or fast.

(3) No meter shall be placed in service or allowed to remain in service which has an error in registration in excess of **10%** percent under normal operating conditions.

(c) *Change in volume or character.* Reasonable notice shall be given by the Contracting Officer to the Contractor regarding any material changes anticipated in the volume or characteristics of the utility service required at each location.

(d) *Continuity of service and consumption.* The Contractor shall use reasonable diligence to provide a regular and uninterrupted supply of service at each service location, but shall not be liable for damages, breach of contract or otherwise, to the Government for failure, suspension, diminution, or other variations of service occasioned by or in consequence of any cause beyond the control of the Contractor, including but not limited to acts of God or of the public enemy, fires, floods, earthquakes, or other catastrophe, strikes, or failure or breakdown of transmission or other facilities. If any such failure, suspension, diminution, or other variation of service shall aggregate more than **24** hour(s) during any billing period hereunder, an equitable adjustment shall be made in the monthly billing specified in this contract (including the minimum monthly charge).

52.241-7 Change in Rates or Terms and Conditions of Service for Regulated Services. (Feb 1995)

(a) This clause applies to the extent services furnished under this contract are subject to regulation by a regulatory body. The Contractor agrees to give __**30 day**_ written notice of (1) the filing of an application for change in rates or terms and conditions of service concurrently with the filing of the application and (2) any changes pending with the regulatory body as of the date of contract award. Such notice shall fully describe the proposed change. If, during the term of this contract, the regulatory body having jurisdiction approves any changes, the Contractor shall forward to the Contracting Officer a copy of such changes within 15 days after the effective date thereof. The Contractor agrees to continue furnishing service under this contract in accordance with the amended tariff, and the Government agrees to pay for such service at the higher or lower rates as of the date when such rates are made effective.

(b) The Contractor agrees that throughout the life of this contract the applicable published and unpublished rate schedule(s) shall not be in excess of the lowest cost published and unpublished rate schedule(s) available to any other customers of the same class under similar conditions of use and service.

(c) In the event that the regulatory body promulgates any regulation concerning matters other than rates which affects this contract, the Contractor shall immediately provide a copy to the Contracting Officer. The Government shall not be bound to accept any new regulation inconsistent with Federal laws or regulations.

(d) Any changes to rates or terms and conditions of service shall be made a part of this contract by the issuance of a contract modification unless otherwise specified in the contract. The effective date of the change shall be the effective date by the regulatory body. Any factors not governed by the regulatory body will have an effective date as agreed to by the parties.

52.241-8 Change in Rates or Terms and Conditions of Service for Unregulated Services. (Feb 1995)

(a) This clause applies to the extent that services furnished hereunder are not subject to regulation by a regulatory body.

(b) After __**October 1, 2007**, either party may request a change in rates or terms and conditions of service, unless otherwise provided in this contract. Both parties agree to enter in negotiations concerning such changes upon receipt of a written request detailing the proposed changes and specifying the reasons for the proposed changes.

(c) The effective date of any change shall be as agreed to by the parties. The Contractor agrees that throughout the life of this contract the rates so

negotiated will not be in excess of published and unpublished rates charged to any other customer of the same class under similar terms and conditions of use and service.
(d) The failure of the parties to agree upon any change after a reasonable period of time shall be a dispute under the Disputes clause of this contract.
(e) Any changes to rates, terms, or conditions as a result of such negotiations shall be made a part of this contract by the issuance of a contract modification.

52.252-2 Clauses Incorporated by Reference. (Feb 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this address:

Federal Acquisition Regulation (FAR):
http://www.arnet.gov/far/

III. THE FOLLOWING HSAR CLAUSE IS INCORPORATED IN FULL TEXT.

3052.209-70 PROHIBITION ON CONTRACTS WITH CORPORATE EXPATRIATES
(JUN 2006)
(a) Prohibitions.
Section 835 of the Homeland Security Act, 6 U.S.C. 395, prohibits the Department of Homeland Security from entering into any contract with a foreign incorporated entity which is treated as an inverted domestic corporation as defined in this clause, or with any subsidiary of such an entity. The Secretary shall waive the prohibition with respect to any specific contract if the Secretary determines that the waiver is required in the interest of national security.
(b) Definitions. As used in this clause:
Expanded Affiliated Group means an affiliated group as defined in section 1504(a) of the Internal Revenue Code of 1986 (without regard to section 1504(b) of such Code), except
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that section 1504 of such Code shall be applied by substituting 'more than 50 percent' for 'at least 80 percent' each place it appears.
Foreign Incorporated Entity means any entity which is, or but for subsection (b) of section 835 of the Homeland Security Act, 6 U.S.C. 395, would be, treated as a foreign corporation for purposes of the Internal Revenue Code of 1986.
Inverted Domestic Corporation. A foreign incorporated entity shall be treated as an inverted domestic corporation if, pursuant to a plan (or a series of related transactions)—
(1) The entity completes the direct or indirect acquisition of substantially all of the properties held directly or indirectly by a domestic corporation or substantially all of the properties constituting a trade or business of a domestic partnership;
(2) After the acquisition at least 80 percent of the stock (by vote or value) of the entity is

held—

(i) In the case of an acquisition with respect to a domestic corporation, by former shareholders of the domestic corporation by reason of holding stock in the domestic corporation; or

(ii) In the case of an acquisition with respect to a domestic partnership, by former partners of the domestic partnership by reason of holding a capital or profits interest in the domestic partnership; and

(3) The expanded affiliated group which after the acquisition includes the entity does not have substantial business activities in the foreign country in which or under the law of which the entity is created or organized when compared to the total business activities of such expanded affiliated group.

Person, domestic, and foreign have the meanings given such terms by paragraphs (1), (4), and (5) of section 7701(a) of the Internal Revenue Code of 1986, respectively.

(c) Special rules. The following definitions and special rules shall apply when determining whether a foreign incorporated entity should be treated as an inverted domestic corporation.

(1) *Certain Stock Disregarded.* For the purpose of treating a foreign incorporated entity as an inverted domestic corporation these shall not be taken into account in determining ownership:

(i) Stock held by members of the expanded affiliated group which includes the foreign incorporated entity; or

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(ii) stock of such entity which is sold in a public offering related to the acquisition described in subsection (b)(1) of Section 835 of the Homeland Security Act, 6 U.S.C. 395(b)(1).

(2) *Plan Deemed In Certain Cases.* If a foreign incorporated entity acquires directly or indirectly substantially all of the properties of a domestic corporation or partnership during the 4-year period beginning on the date which is 2 years before the ownership requirements of subsection (b)(2) are met, such actions shall be treated as pursuant to a plan.

(3) *Certain Transfers Disregarded.* The transfer of properties or liabilities (including by contribution or distribution) shall be disregarded if such transfers are part of a plan a principal purpose of which is to avoid the purposes of this section.

(d) *Special Rule for Related Partnerships.* For purposes of applying section 835(b) of the Homeland Security Act, 6 U.S.C. 395(b) to the acquisition of a domestic partnership, except as provided in regulations, all domestic partnerships which are under common control (within the meaning of section 482 of the Internal Revenue Code of 1986) shall be treated as a partnership.

(e) Treatment of Certain Rights.

(1) Certain rights shall be treated as stocks to the extent necessary to reflect the present value of all equitable interests incident to the transaction, as follows:

(i) warrants;

(ii) options;

(iii) contracts to acquire stock;

(iv) convertible debt instruments; and

(v) others similar interests.

(2) Rights labeled as stocks shall not be treated as stocks whenever it is deemed

appropriate to do so to reflect the present value of the transaction or to disregard transactions whose recognition would defeat the purpose of Section 835.
(f) *Disclosure.* The offeror under this solicitation represents that [Check one]:
__ it is not a foreign incorporated entity that should be treated as an inverted domestic corporation pursuant to the criteria of (HSAR) 48 CFR 3009.104-70 through 3009.104-73;
__ it is a foreign incorporated entity that should be treated as an inverted domestic corporation pursuant to the criteria of (HSAR) 48 CFR 3009.104-70 through 3009.104-73, but it has submitted a request for waiver pursuant to 3009.104-74, which has not been denied; or
__ it is a foreign incorporated entity that should be treated as an inverted domestic corporation pursuant to the criteria of (HSAR) 48 CFR 3009.104-70 through 3009.104-73, but it plans to submit a request for waiver pursuant to 3009.104-74.
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(g) A copy of the approved waiver, if a waiver has already been granted, or the waiver request, if a waiver has been applied for, shall be attached to the bid or proposal.

IV. THE FOLLOWING FEDERAL ACQUISITION REGULATION (FAR) CLAUSES ARE INCORPORATED BY REFERENCE

FAR 52.217-8 OPTION TO EXTEND SERVICES (NOV 1999) 10 days

FAR 52.217-9 OPTION TO EXTEND THE TERM OF THE CONTRACT (MAR 2000)
15 days; 10 days;1 Years

FAR 52.232-19 AVAILABILITY OF FUNDS FOR THE NEXT FISCAL YEAR (APR 1984)
FAR 52.228-5 INSURANCE – WORK ON A GOVERNMENT INSTALLATION (JAN 1977)
FAR 52.237-2 PROTECTION OF GOVERNMENT BUILDING, EQUIPMENT, AND VEGETATION (APR 1984)

FAR 52.241-2 ORDER OF PRECEDENCE-UTILTIES (FEB 1995)

FAR 52.241-4 CHANGE IN CLASS OF SERVICE (FEB 1995)
FAR 52.241-5 CONTRACTOR'S FACILITIES (FEB 1995)
FAR 52.241-11 MULTIPLE SERVICE LOCATIONS (FEB 1995)

V. THE FOLLOWING DEPARTMENT OF HOMELAND SECURITY REQUISITION REGULATION (HSAR) CLAUSES ARE INCORPORATED BY REFERENCE

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this address:

Homeland Security Acquisition Regulation (HSAR):
http://www.dhs.gov/interweb/assetlibrary/cpo_hsar_finalrule.pdf

3052.223-90 Accident and Fire Reporting (DEC 2003)
3052.228-70 Insurance (DEC 2003)
3052.242-71 Dissemination of Contract Information. (DEC 2003)

3052.242-72 Contracting Officer's Technical Representative. (DEC 2003

VI. OTHER INCORPORATED CONTRACTUAL PROVISIONS AND CLAUSES:

1. CONTRACT ADMINISTRATION

The Contracting Officer or the authorized representative location at the Maintenance and Logistics Command Pacific (f) Coast Guard Island, Bldg. 54C, Alameda, CA 94501-5100, telephone number (510) 437-3844 will be the Contract Administrator for this Contract.

2. ADDRESS FOR ALL CORRESPONDENCE

Commander (f)
Maintenance and Logistics Command Pacific
Attention: Mary Myers
Coast Guard Island, Bldg. 54C
Alameda, CA 94501-5100

3. NOTE: Include contract number on all correspondence.

4. SPECIAL NOTE:

The Offeror must complete and return the original solicitation documents, in particular the following: (1) Standard Form 1449, (sign and date blocks 30 a., b., and c.); (2) Addendum Schedule of Supplies/Services; (3) FAR 52.212-3 "Offeror Representations and Certifications – Commercial Items" (fill-in all appropriate blocks).

5. OPTION TO EXTEND THE CONTRACT SUBJECT TO THE AVAILABLITY OF FUNDS:

The U.S. Coast Guard may unilaterally exercise its option to extend the period of performance under this contract under FAR 52.217-9 Option to Extend Term of Contract, or exercise its option(s) for continuing performance for any service under FAR 52.217-8, Option to Extend Services. Exercise of option(s) is subject to Availability of Funds clause, FAR 52.232-18.

6. LIASON

The following individuals are Technical Points of Contract (POC) for the various utilities:

a. Vessel Traffic
CWO Randall Myers, 415-556-2950, ext. 106

b. Senior Officer's Quarters
Leo Manipon, 510-769-0831, X117

c. Sector San Francisco for Operations
LT Scott Peterein, Sector SF Engineer, 415-399-3504

7. SAFETY

During the execution of work, CCSF shall conform to the rules and regulations as set forth by OSHA Safety and Health Standards, 29 CFR Part 1926 – Safety and Health Regulations for Construction and Title 8, California Administrative Code – Construction Standards. When the standards differ, the more restrictive standard shall apply.

8. SECURITY MEASURES

Contractor Employees and Visitors Access to Government Facilities:
All personnel employed by the Contractor (including subcontractors) in the performance of this contract or any representative of the Contractor entering the Government installation, shall abide by all applicable security regulations and shall be subject to such security checks as may be deemed necessary to the Government. The Government reserves the right to direct the contractor to remove from performance under this contract any employee for misconduct or security reasons. This will not relieve the Contractor from contract performance or result in any equitable adjustment to the contract. Contractor employees shall not receive visitors without the expressed permission of the Contracting Officer or the Contracting Officer's Technical Representative (COTR).

9. REFERENCE DRAWINGS

The drawings listed below are included by reference only and will be made available by the COTR upon request. They are known not to accurately reflect all existing conditions.

Number	Title
EFA West C104378	Coast Guard Parcel Map (Note 1)
PWC 17,659	Water Distribution System
PWC 108,618	Sanitary Distribution System
PWC 108,619	Gas Distribution System

10. BASE DRIVING REQUIREMENTS

To drive on a Government installation, the Contractor's employee must have vehicle registration, a valid state driver's license and automobile insurance as required.

11. LICENSES AND PERMITS

The Contractor shall be responsible for obtaining any necessary licenses and permit.

FAR 52.212-3 OFFEROR REPRESENTATIONS AND CERTIFICATIONS—COMMERCIAL ITEMS (NOV 2006)

An offeror shall complete only paragraph (k) of this provision if the offeror has completed the annual representations and certificates electronically at http://orca.bpn.gov . If an offeror has not completed the annual representations and certifications electronically at the ORCA website, the offeror shall complete only paragraphs (b) through (j) of this provision.

(a) *Definitions.* As used in this provision--

"Emerging small business" means a small business concern whose size is no greater than 50 percent of the numerical size standard for the NAICS code designated.

"Forced or indentured child labor" means all work or service—

(1) Exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or

(2) Performed by any person under the age of 18 pursuant to a contract the enforcement of which can be accomplished by process or penalties.

"Manufactured end product" means any end product in Federal Supply Classes (FSC) 1000-9999, except—

(1) FSC 5510, Lumber and Related Basic Wood Materials;

(2) Federal Supply Group (FSG) 87, Agricultural Supplies;

(3) FSG 88, Live Animals;

(4) FSG 89, Food and Related Consumables;

(5) FSC 9410, Crude Grades of Plant Materials;

(6) FSC 9430, Miscellaneous Crude Animal Products, Inedible;

(7) FSC 9440, Miscellaneous Crude Agricultural and Forestry Products;

(8) FSC 9610, Ores;

(9) FSC 9620, Minerals, Natural and Synthetic; and

(10) FSC 9630, Additive Metal Materials.

"Place of manufacture" means the place where an end product is assembled out of components, or otherwise made or processed from raw materials into the finished product that is to be provided to the Government. If a product is disassembled and reassembled, the place of reassembly is not the place of manufacture.

"Service-disabled veteran-owned small business concern"—

(1) Means a small business concern—

(i) Not less than 51 percent of which is owned by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the

stock of which is owned by one or more service-disabled veterans; and

(ii) The management and daily business operations of which are controlled by one or more service-disabled veterans or, in the case of a service-disabled veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.

(2) Service-disabled veteran means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected, as defined in 38 U.S.C. 101(16).

"Small business concern" means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR Part 121 and size standards in this solicitation.

"Veteran-owned small business concern" means a small business concern—

(1) Not less than 51 percent of which is owned by one or more veterans(as defined at 38 U.S.C. 101(2)) or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and

(2) The management and daily business operations of which are controlled by one or more veterans.

"Women-owned business concern" means a concern which is at least 51 percent owned by one or more women; or in the case of any publicly owned business, at least 51 percent of the its stock is owned by one or more women; and whose management and daily business operations are controlled by one or more women.

"Women-owned small business concern" means a small business concern --

(1) That is at least 51 percent owned by one or more women or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and

(2) Whose management and daily business operations are controlled by one or more women.

(b) *Taxpayer identification number (TIN) (26 U.S.C. 6109, 31 U.S.C. 7701).* (Not applicable if the offeror is required to provide this information to a central contractor registration database to be eligible for award.)

(1) The offeror must submit the information required in paragraphs (b)(3) through (b)(5) of this provision to comply with debt collection requirements of 31 U.S.C. 7701(c) and 3325(d), reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M, and implementing regulations issued by the Internal Revenue Service (IRS).

(2) The TIN may be used by the government to collect and report on any delinquent amounts arising out of the offeror's relationship with the Government (31 U.S.C. 7701(c)(3)). If the resulting contract is subject to the payment reporting requirements described in FAR 4.904, the TIN provided hereunder may be matched with IRS records to verify the accuracy of the offeror's TIN.]

(3) Taxpayer Identification Number (TIN).

* TIN:_____.

* TIN has been applied for.

* TIN is not required because:

* Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the United States and does not have an office or place of business or a fiscal paying agent in the United States;

* Offeror is an agency or instrumentality of a foreign government;

* Offeror is an agency or instrumentality of the Federal Government;

(4) Type of organization.

* Sole proprietorship;

* Partnership;

* Corporate entity (not tax-exempt);

* Corporate entity (tax-exempt);

* Government entity (Federal, State, or local);

* Foreign government;

* International organization per 26 CFR 1.6049-4;

* Other _____.

(5) Common parent.

* Offeror is not owned or controlled by a common parent:

* Name and TIN of common parent:

Name _____

TIN _____

(c) Offeror must complete the following representations when the resulting contract is to be performed in the United States or its outlying areas. Check all that apply.

(1) *Small business concern.* The offeror represents as part of its offer that it * is, * is not a small business concern.

(2) Veteran-owned small business concern. [Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents as part of its offer that it * is, * is not a veteran-owned small business concern.

(3) Service-disabled veteran-owned small business concern. [Complete only if the offeror represented itself as a veteran-owned small business concern in paragraph (c)(2) of this provision.] The offeror represents as part of its offer that it * is, * is not a service-disabled veteran-owned small business concern.

(4) Small disadvantaged business concern. [Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents, for general statistical purposes, that it * is, * is not, a small disadvantaged business concern as defined in 13 CFR 124.1002.

(5) Women-owned small business concern. [Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents that it * is, * is not a women-owned small business concern.

Note: Complete paragraphs (c)(6) and (c)(7) only if this solicitation is expected to exceed the simplified acquisition threshold.

(6) Women-owned business concern (other than small business concern). [Complete only if the offeror is a women-owned business concern and did not represent itself as a small business concern in paragraph (c)(1) of this provision.]. The offeror represents that it * is, a women-owned business concern.

(7) *Tie bid priority for labor surplus area concerns.* If this is an invitation for bid, small business offerors may identify the labor surplus areas in which costs to be incurred on account of manufacturing or production (by offeror or first-tier subcontractors) amount to more than 50 percent of the contract price:

_____

(8) Small Business Size for the Small Business Competitiveness Demonstration Program and for the Targeted Industry Categories under the Small Business Competitiveness Demonstration Program. *[Complete only if the offeror has represented itself to be a small business concern under the size standards for this solicitation.]*

(i) [*Complete only for solicitations indicated in an addendum as being set-aside for emerging small businesses in one of the designated industry groups (DIGs).*] The offeror represents as part of its offer that it * is, * is not an emerging small business.

(ii) [*Complete only for solicitations indicated in an addendum as being for one of the targeted industry categories (TICs) or designated industry groups (DIGs).*] Offeror represents as follows:

(A) Offeror's number of employees for the past 12 months (check the Employees column if size standard stated in the solicitation is expressed in terms of number of employees); or

(B) Offeror's average annual gross revenue for the last 3 fiscal years (check the Average Annual Gross Number of Revenues column if size standard stated in the solicitation is expressed in terms of annual receipts).

(Check one of the following):

Number of Employees	Average Annual Gross Revenues
50 or fewer	$1 million or less
51-100	$1,000,001-$2 million
101-250	$2,000,001-$3.5 million
251-500	$3,500,001-$5 million
501-750	$5,000,001-$10 million
751-1,000	$10,000,001-$17 million
Over 1,000	Over $17 million

(9) [Complete only if the solicitation contains the clause at FAR 52.219-23, Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns, or FAR 52.219-25, Small Disadvantaged Business Participation Program—Disadvantaged Status and Reporting, and the offeror desires a benefit based on its disadvantaged status.]

(i) *General.* The offeror represents that either—

(A) It * is, * is not certified by the Small Business Administration as a small disadvantaged business concern and identified, on the date of this representation, as a certified small disadvantaged business concern in the database maintained by the Small Business Administration (PRO-Net), and that no material change in disadvantaged ownership and control has occurred since its certification, and, where the concern is owned by one or more individuals claiming disadvantaged status, the net worth of each individual upon whom the certification is based does not exceed $750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2); or

(B) It *has, * has not submitted a completed application to the Small Business Administration or a Private Certifier to be certified as a small disadvantaged business concern in accordance with 13 CFR 124, Subpart B, and a decision on that application is pending, and that no material change in disadvantaged ownership and control has occurred since its application was submitted.

(ii) *Joint Ventures under the Price Evaluation Adjustment for Small Disadvantaged Business Concerns.* The offeror represents, as part of its offer, that it is a joint venture that complies with the requirements in 13 CFR 124.1002(f) and that the representation in paragraph (c)(9)(i) of this provision is accurate for the small disadvantaged business concern that is participating in the joint venture. [*The offeror shall enter the name of the small disadvantaged business concern that is participating in the joint venture:* _____.]

(10) HUBZone small business concern. [Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents, as part of its offer, that--

(i) It * is, * is not a HUBZone small business concern listed, on the date of this representation, on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration, and no material change in ownership and control, principal office, or HUBZone employee percentage has occurred since it was certified by the Small Business Administration in accordance with 13 CFR part 126; and

(ii) It * is, * not a joint venture that complies with the requirements of 13 CFR part 126, and the representation in paragraph (c)(10)(i) of this provision is accurate for the HUBZone small business

concern or concerns that are participating in the joint venture. [*The offeror shall enter the name or names of the HUBZone small business concern or concerns that are participating in the joint venture:* _____.] Each HUBZone small business concern participating in the joint venture shall submit a separate signed copy of the HUBZone representation.

(d) *Representations required to implement provisions of Executive Order 11246* --

(1) Previous contracts and compliance. The offeror represents that --

(i) It * has, * has not, participated in a previous contract or subcontract subject to the Equal Opportunity clause of this solicitation; and

(ii) It * has, * has not, filed all required compliance reports.

(2) *Affirmative Action Compliance.* The offeror represents that --

(i) It * has developed and has on file, * has not developed and does not have on file, at each establishment, affirmative action programs required by rules and regulations of the Secretary of Labor (41 CFR parts 60-1 and 60-2), or

(ii) It * has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

(e) *Certification Regarding Payments to Influence Federal Transactions (31 U.S.C. 1352).* (Applies only if the contract is expected to exceed $100,000.) By submission of its offer, the offeror certifies to the best of its knowledge and belief that no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress on his or her behalf in connection with the award of any resultant contract.

(f) *Buy American Act Certificate.* (Applies only if the clause at Federal Acquisition Regulation (FAR) 52.225-1, Buy American Act – Supplies, is included in this solicitation.)

The offeror certifies that each end product, except those listed in paragraph (f)(2) of this provision, is a domestic end product and that the offeror has considered components of unknown origin to have been mined, produced, or manufactured outside the United States. The offeror shall list as foreign end products those end products manufactured in the United States that do not qualify as domestic end products. The terms "component," "domestic end product," "end product," "foreign end product," and "United States" are defined in the clause of this solicitation entitled "Buy American Act—Supplies."

Foreign End Products:

LINE ITEM NO. COUNTRY OF ORIGIN

[List as necessary]

(3) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25.

(g)

(1) *Buy American Act -- Free Trade Agreements -- Israeli Trade Act Certificate.* (Applies only if the clause at FAR 52.225-3, Buy American Act -- Free Trade Agreements -- Israeli Trade Act, is included in this solicitation.)

(i) The offeror certifies that each end product, except those listed in paragraph (g)(1)(ii) or (g)(1)(iii) of this provision, is a domestic end product and that the offeror has considered components of unknown origin to have been mined, produced, or manufactured outside the United States. The terms "component," "domestic end product," "end product," "foreign end product," "Free Trade Agreement country," and "United States" are defined in the clause of this solicitation entitled "Buy American Act—Free Trade Agreements—Israeli Trade Act."

(ii) The offeror certifies that the following supplies are Free Trade Agreement country end products (other than Moroccan end products) or Israeli end products as defined in the clause of this solicitation entitled "Buy American Act—Free Trade Agreements—Israeli Trade Act":

Free Trade Agreement Country End Products (Other than Moroccan End Products) or Israeli End Products:

LINE ITEM NO. COUNTRY OF ORIGIN

[*List as necessary*]

(iii) The offeror shall list those supplies that are foreign end products (other than those listed in paragraph (g)(1)(ii) or this provision) as defined in the clause of this solicitation entitled "Buy American Act—Free Trade Agreements—Israeli Trade Act." The offeror shall list as other foreign end products those end products manufactured in the United States that do not qualify as domestic end products.

Other Foreign End Products:

LINE ITEM NO. COUNTRY OF ORIGIN

[*List as necessary*]

(iv) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25.

(2) *Buy American Act—Free Trade Agreements—Israeli Trade Act Certificate, Alternate I.* If Alternate I to the clause at FAR 52.225-3 is included in this solicitation, substitute the following paragraph (g)(1)(ii) for paragraph (g)(1)(ii) of the basic provision:

(g)(1)(ii) The offeror certifies that the following supplies are Canadian end products as defined in the clause of this solicitation entitled "Buy American Act—Free Trade Agreements—Israeli Trade Act":

Canadian End Products:

Line Item No.:

_____

[List as necessary]

(3) *Buy American Act—Free Trade Agreements—Israeli Trade Act Certificate, Alternate II.* If Alternate II to the clause at FAR 52.225-3 is included in this solicitation, substitute the following paragraph (g)(1)(ii) for paragraph (g)(1)(ii) of the basic provision:

(g)(1)(ii) The offeror certifies that the following supplies are Canadian end products or Israeli end products as defined in the clause of this solicitation entitled "Buy American Act--Free Trade Agreements--Israeli Trade Act":

Canadian or Israeli End Products:

Line Item No.: Country of Origin:

[*List as necessary*]

(4) *Trade Agreements Certificate.* (Applies only if the clause at FAR 52.225-5, Trade Agreements, is included in this solicitation.)

(i) The offeror certifies that each end product, except those listed in paragraph (g)(4)(ii) of this provision, is a U.S.-made or designated country end product as defined in the clause of this solicitation entitled "Trade Agreements."

(ii) The offeror shall list as other end products those end products that are not U.S.-made or designated country end products.

Other End Products

Line Item No.: Country of Origin:

[*List as necessary*]

(iii) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25. For line items covered by the WTO GPA, the Government will evaluate offers of U.S.-made or designated country end products without regard to the restrictions of the Buy American Act. The Government will consider for award only offers of U.S.-made or designated country end products unless the Contracting Officer determines that there are no offers for such products or that the offers for such products are insufficient to fulfill the requirements of the solicitation.

(h) *Certification Regarding Debarment, Suspension or Ineligibility for Award (Executive Order 12689).* (Applies only if the contract value is expected to exceed the simplified acquisition threshold.) The offeror certifies, to the best of its knowledge and belief, that the offeror and/or any of its principals--

(1) * Are, * are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency; and

(2) * Have, * have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a Federal, state or local government contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and

(3) * Are, * are not presently indicted for, or otherwise criminally or civilly charged by a Government entity with, commission of any of these offenses.

(i) *Certification Regarding Knowledge of Child Labor for Listed End Products (Executive Order 13126). [The Contracting Officer must list in paragraph (i)(1) any end*

products being acquired under this solicitation that are included in the List of Products Requiring Contractor Certification as to Forced or Indentured Child Labor, unless excluded at 22.1503(b).]

(1) Listed End Product

Listed End Product Listed Countries of Origin:

(2) Certification. [If the Contracting Officer has identified end products and countries of origin in paragraph (i)(1) of this provision, then the offeror must certify to either (i)(2)(i) or (i)(2)(ii) by checking the appropriate block.]

[ ] (i) The offeror will not supply any end product listed in paragraph (i)(1) of this provision that was mined, produced, or manufactured in the corresponding country as listed for that product.

[ ] (ii) The offeror may supply an end product listed in paragraph (i)(1) of this provision that was mined, produced, or manufactured in the corresponding country as listed for that product. The offeror certifies that is has made a good faith effort to determine whether forced or indentured child labor was used to mine, produce, or manufacture any such end product furnished under this contract. On the basis of those efforts, the offeror certifies that it is not aware of any such use of child labor.

(j) *Place of manufacture.* (Does not apply unless the solicitation is predominantly for the acquisition of manufactured end products.) For statistical purposes only, the offeror shall indicate whether the place of manufacture of the end products it expects to provide in response to this solicitation is predominantly—

(1) [ ] In the United States (Check this box if the total anticipated price of offered end products manufactured outside the united States); or

(2) [ ] Outside the United States.

(k)

(1) *Annual Representations and Certifications.* Any changes provided by the offeror in paragraph (k)(2) of this provision do not automatically change the representations and certifications posted on the Online Representations and Certifications Application (ORCA) website.

(2) The offeror has completed the annual representations and certification electronically via the ORCA website at http://orca.bpn.gov .After reviewing the ORCA database information, the offeror verifies by submission of this offer that the representation and certifications currently

posted electronically at FAR 52.212-3, Offeror Representations and certifications—Commercial Items, have been entered or updated in the last 12 months, are current, accurate, complete, and applicable to this solicitation (including the business size standard applicable to the NAICS code referenced for this solicitation), as of the date of this offer and are incorporated in this offer by reference (see FAR 4.1201), except for paragraphs _____. *[Offeror to identify the applicable paragraphs at (b) through (j) of this provision that the offeror has completed for the purposes of this solicitation only, if any. These amended representation(s) and/or certification(s) are also incorporated into his offer and are current, accurate, and complete as of the date of this offer. Any changes provided by the offeror are applicable to this solicitation only, and do not result in an update to the representations and certifications posted on ORCA*

VII. LIST OF ATTACHMENTS

1. Cooperative Agreement, Functional Annex 6, Utility Services
2. List of Utility Meters

AGENDA ITEM 8(d)
Treasure Island Development Authority
City and County of San Francisco
Meeting of September 12, 2007

Subject: Resolution Authorizing an Amendment to the Agreement with the San Francisco County Transportation Authority for Engineering and Planning Assistance on the Treasure Island Transportation Plan to Extend the Completion Date, Revise the Scope of Work and Increase the Contract Amount by $50,000 for a Total Amount not to exceed $99,670. (Action Item)
Contact Jack Sylvan, Office of Base Reuse and Development

BACKGROUND

The Development Plan and Term Sheet approved by the Authority Board and the San Francisco Board of Supervisors in Fall 2006 included a comprehensive transportation plan. Due to the transportation relevance of the Treasure Island redevelopment project, staff collaborated with the San Francisco County Transportation Authority (SFCTA) on the development of the transportation plan, and continues to collaborate with the SFCTA on many aspects of the project such as the Yerba Buena Island ramps.

SFCTA and the Authority are parties to Agreement #05/06-08 dated October 15, 2005, as amended by Amended Agreement #05/06-08A dated March 1, 2006, for engineering and planning support services in connection with the Treasure Island transportation plan. Under the Agreement, staff utilized one of the SFCTA's transportation planning consultants to represent the City and the Authority in its planning and negotiations with Treasure Island Community Development, LLC (TICD). This firm, Nelson/Nygaard, is a well-known local transportation planning firm with expertise in sustainable and transit-oriented transportation systems and planning. Nelson/Nygaard was competitively selected by the SFCTA and staff selected Nelson/Nygaard by soliciting proposals from firms on the SFCTA's qualified consultant list.

The Agreement's existing budget of $49,670 has been utilized and the term of the Agreement will expire on September 30, 2007. However, as work on the transportation plan moves to the next phase of implementation, staff will require additional scope and budget by Nelson/Nygaard via its partnership with the SFCTA. These additional elements of scope include the following:

- *Preparation of Transportation Plan for DDA.* In addition to further work delineating the transportation plan strategies, Nelson/Nygaard will assist the Authority by establishing partnerships with likely transit providers, such as MUNI, AC Transit and the Water Transit Authority, outlining the governmental structure of the Treasure Island transportation demand management district and identification of potential funding sources.

- *Assistance with Environmental Impact Report.* Nelson/Nygaard will provide a peer review of traffic analysis prepared for the environmental review and participate in meetings with the Planning Department's Major Environmental Analysis division and potentially other stakeholders (i.e., Caltrans).
- *Participation in Public Meetings.* This will include representing the Authority and staff at public meetings and hearings, including the Authority Board, the Citizen's Advisory Board and Board of Supervisor's hearings, among others.

The proposed amendment would add $50,000 to the budget to cover the scope discussed above and extend the term through December 31, 2008, a timeframe consistent with the Exclusive Negotiating Agreement (ENA) with TICD. The Authority's Purchasing Policy and Procedures authorizes the Director of Island Operations to execute and enter into contracts for the purchase of goods and services costing in the aggregate not more than $50,000. Because the proposed amendment increases the budget above $50,000, staff is requesting the Authority's approval of the proposed amendment.

The funds for this contract amendment were budgeted in the Authority's FY 2007-08 budget and 100 percent of the costs will be reimbursed by TICD under the terms of the ENA between the Authority and TICD.

RECOMMENDATION

Staff recommends approving the amendment to the Agreement with the SFCTA to fund the additional scope necessary for Nelson Nygaard to assist staff with transportation planning as part of the redevelopment project.

EXHIBITS

A Amended Agreement #05/06-08B between TIDA and SFCTA

[Authorization to Execute Amendment to Agreement with the San Francisco County Transportation Authority]

Authorizing an Amendment to the Agreement with the San Francisco County Transportation Authority for Engineering and Planning Assistance on the Treasure Island Transportation Plan to Extend the Completion Date, Revise the Scope of Work and Increase the Contract Amount by $50,000 for a Total Not to Exceed Amount of $99,670.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, Treasure Island was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, In 1995, the General Services Administration and the Bureau of Land Management determined that Yerba Buena Island was surplus to the Federal Government's needs and could be transferred to the administrative jurisdiction of the Department of Defense under the Base Closure and Realignment Act of 1990 and disposed of together with Treasure Island; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to the public trust for commerce, navigation and fisheries (the "Tidelands Trust"), vested in the Authority the authority to administer the Tidelands Trust as to such property; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency for Treasure Island in 1997; and,

WHEREAS, The Authority and the San Francisco County Transportation Authority ("SFCTA") entered into Agreement #05/06-08 dated October 15, 2005, as amended by Amended Agreement #05/06-08A dated March 1, 2006, under which SFCTA provides engineering and planning assistance to the Authority in connection with the Treasure Island transportation plan; and,

WHEREAS, Under the Agreement, staff utilized one of the SFCTA's transportation planning consultants, Nelson/Nygaard, to assist the Authority in its planning and negotiations with Treasure Island Community Development, LLC ("TICD"), the selected master developer for the Base, and in connection with the preparation of a Treasure Island transportation plan; and,

WHEREAS, Nelson/Nygaard is a well-known local transportation planning firm with expertise in sustainable and transit-oriented transportation systems and planning who (i) was competitively selected by the SFCTA, and (ii) was selected by project staff through soliciting proposals from firms on the SFCTA's qualified consultant list; and,

WHEREAS, The Agreement's existing budget of $49,670 has been utilized and the term of the Agreement will expire on September 30, 2007; and,

WHEREAS, In 2006, the Board of Supervisors and the Authority Board endorsed the Development Plan and Term Sheet for Redevelopment of Treasure Island, which included a transportation plan; and,

WHEREAS, Staff requires additional services from the SFCTA and Nelson/Nygaard under the Agreement as work on the transportation plan moves to the next phase of implementation and the Authority and TICD negotiate a Disposition and Development Agreement and an Environmental Impact Report is prepared; and,

WHEREAS, Staff proposes to amend the Agreement to (i) extend the term through December 31, 2008, which is consistent with the Exclusive Negotiating Agreement with TICD, (ii) revise the scope of work, and (iii) increase the contract amount by $50,000 for a total not to exceed amount of $99,670; and,

WHEREAS, The Authority's Purchasing Policy and Procedures authorizes the Director of Island Operations to execute and enter into contracts for the purchase of goods and services costing in the aggregate not more than $50,000; and,

WHEREAS, Because the proposed amendment increases the contract amount above $50,000, staff is requesting the Authority's approval of the proposed amendment; now therefore be it

RESOLVED, That the Authority hereby authorizes the Director of Island Operations to execute a second amendment to the Agreement with SFCTA in substantially the form attached to this resolution as Exhibit A.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on September 12, 2007.

_____

Owen Stephens

[Authorization to Execute Amendment to Agreement with the San Francisco County Transportation Authority]

Authorizing an Amendment to the Agreement with the San Francisco County Transportation Authority for Engineering and Planning Assistance on the Treasure Island Transportation Plan to Extend the Completion Date, Revise the Scope of Work and Increase the Contract Amount by $50,000 for a Total Not to Exceed Amount of $99,670.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, Treasure Island was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, In 1995, the General Services Administration and the Bureau of Land Management determined that Yerba Buena Island was surplus to the Federal Government's needs and could be transferred to the administrative jurisdiction of the Department of Defense under the Base Closure and Realignment Act of 1990 and disposed of together with Treasure Island; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to the public trust for commerce, navigation and fisheries (the "Tidelands Trust"), vested in the Authority the authority to administer the Tidelands Trust as to such property; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency for Treasure Island in 1997; and,

WHEREAS, The Authority and the San Francisco County Transportation Authority ("SFCTA") entered into Agreement #05/06-08 dated October 15, 2005, as amended by Amended Agreement #05/06-08A dated March 1, 2006, under which SFCTA provides engineering and planning assistance to the Authority in connection with the Treasure Island transportation plan; and,

WHEREAS, Under the Agreement, staff utilized one of the SFCTA's transportation planning consultants, Nelson/Nygaard, to assist the Authority in its planning and negotiations with Treasure Island Community Development, LLC ("TICD"), the selected master developer for the Base, and in connection with the preparation of a Treasure Island transportation plan; and,

WHEREAS, Nelson/Nygaard is a well-known local transportation planning firm with expertise in sustainable and transit-oriented transportation systems and planning who (i) is a qualified DBE with the City, (ii) was competitively selected by the SFCTA, and (iii) was selected by project staff through soliciting proposals from firms on the SFCTA's qualified consultant list; and,

WHEREAS, The Agreement's existing budget of $49,670 has been utilized and the term of the Agreement will expire on September 30, 2007; and,

WHEREAS, In 2006, the Board of Supervisors and the Authority Board endorsed the Development Plan and Term Sheet for Redevelopment of Treasure Island, which included a transportation plan; and,

WHEREAS, Staff requires additional services from the SFCTA and Nelson/Nygaard under the Agreement as work on the transportation plan moves to the next phase of implementation and the Authority and TICD negotiate a Disposition and Development Agreement and an Environmental Impact Report is prepared; and,

WHEREAS, Staff proposes to amend the Agreement to (i) extend the term through December 31, 2008, which is consistent with the Exclusive Negotiating Agreement with TICD, (ii) revise the scope of work, and (iii) increase the contract amount by $50,000 for a total not to exceed amount of $99,670; and,

WHEREAS, The Authority's Purchasing Policy and Procedures authorizes the Director of Island Operations to execute and enter into contracts for the purchase of goods and services costing in the aggregate not more than $50,000; and,

WHEREAS, Because the proposed amendment increases the contract amount above $50,000, staff is requesting the Authority's approval of the proposed amendment; now therefore be it

RESOLVED, That the Authority hereby authorizes the Director of Island Operations to execute a second amendment to the Agreement with SFCTA in substantially the form attached to this resolution as Exhibit A.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on September 12, 2007.

_____

Owen Stephens

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San Francisco County Transportation Authority
100 Van Ness Avenue 26th Floor
San Francisco, California 94102
voice 415 522 4800 fax 415 522 4829
info@sfcta.org www.sfcta.org

Agreement Amendment

Agreement Amendment #05/06-08B

For Engineering and Planning Assistance on the Treasure Island Transportation Plan

THIS AMENDED AGREEMENT #05/06-08B ("Agreement) is made and entered into as of this 1st day of October, 2007 by and between the San Francisco County Transportation Authority (the "Authority"), and the Treasure Island Development Authority ("TIDA") in reference to a Transportation Plan prepared for Treasure Island and Yerba Buena Island (collectively, "Treasure Island") described in more detail in Exhibit A.

RECITALS

1. The Authority and TIDA have an existing Agreement #05/06-08 for the Authority to procure engineering and planning support services as necessary to complete the evaluation of the Treasure Island Transportation Plan; and
2. The Authority and TIDA modified Agreement #05/06-08 to reflect additional tasks and applicable costs, through Amended Agreement #05/06-08A, effective the 1st day of March 2006, in the amount of $49,670.
3. The existing Agreement will expire on September 30, 2007, unless it is amended in writing, by mutual agreement of both parties.
4. In December 2006, TIDA and the Board of Supervisors endorsed the Development Plan and Term Sheet for the Redevelopment of Naval Station Treasure Island, which included a Draft Transportation Plan.
5. TIDA will continue to work on the Transportation Plan and an Environmental Impact Report as an integral component of the approval of a Disposition and Development Agreement by TIDA and the Board of Supervisors; and
6. TIDA desires to amend the terms of the existing Agreement to extend the expiration date, modify the scope of services and increase the maximum expenditure allowed under this agreement consistent with this work.

AGREEMENT

The Authority and TIDA agree that all other terms of the original Agreement #05/06-08 and Amended Agreement #05/06-08A shall remain in effect, except amended as follows:

1. The Authority will procure engineering and planning support services as necessary to complete the evaluation of the Treasure Island Transportation Plan according to the scope of work outlined in Exhibit A.
2. In no event shall the maximum expenditure allowed under this agreement exceed $99,670.
3. This Agreement will expire on December 31, 2008, unless it is amended in writing, by mutual

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agreement of both parties.

4. The designated contact persons for all communications related to this Agreement shall be:

On behalf of TIDA:

Mirian Saez, Director of Island Operations
410 Palm Avenue, Building 1
Treasure Island
San Francisco, CA 94130
(415)274-0365
Mirian.Saez@sfgov.org

On behalf of the Office of Base Reuse and Development, the Project Lead:

Jack Sylvan, Treasure Island Redevelopment Project Director
City Hall, Room 448
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94502
(415) 554-5313
Jack.Sylvan@sfgov.org

On behalf of the Authority:

Deputy Director for Finance and Administration
100 Van Ness Ave, FL 26
San Francisco, CA 94102-5244
Telephone: (415) 522-4800
Fax: (415) 274-0660

IN WITNESS WHEREOF, The parties have executed this AGREEMENT on the date set forth below:

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY	TREASURE ISLAND DEVELOPMENT AUTHORITY
Recommended by:	Recommended by:
Deputy Director for Finance & Administration	Jack Sylvan, Project Manager Office of Base Reuse and Development
Approved by:	Executed by:
José Luis Moscovich Executive Director	Mirian Saez, Director of Island Operations
	APPROVED AS TO FORM:

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DENNIS J. HERRERA, City Attorney

By:_____
Deputy City Attorney

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Exhibit A
SCOPE OF WORK

The Mayor's Office of Base Reuse and Development (Mayor's Office) is currently negotiating on the behalf of the Treasure Island Development Authority (TIDA) with the prospective master developer of former Naval Station Treasure Island (NSTI), Treasure Island Community Development, LLC (TICD). NSTI includes approximately 360 acres on Treasure Island and approximately 90 acres on Yerba Buena Island. Among the many challenges associated with redevelopment of NSTI, one of the most significant is access constraints to the island. Currently, access to the island is only available from substandard on and off-ramps to and from the Bay Bridge, which are already operating at capacity. Consequently, creating a successful redevelopment project at NSTI will hinge on the ability to construct a transportation network that maximizes opportunities and incentives for public transportation, bicycle and pedestrian transportation, while discouraging and minimizing opportunities for private automobile use. One of the major elements of the planning and negotiation process that will be presented to the Treasure Island/Yerba Buena Island Citizen's Advisory Board (TI/YBI CAB) and the Treasure Island Development Authority Board of Directors (Authority Board) will be a Draft Treasure Island Transportation Plan (Transportation Plan) that attempts to find innovative solutions to the access challenge, consistent with the goal of making Treasure Island an environmentally sustainable redevelopment project.

TICD has contracted with consultants to provide transportation engineering services in support of the planning for reuse of NSTI. The engineers have prepared a draft Transportation Plan for the redevelopment of Treasure Island, which includes several appendices with significant data analysis. The Mayor's Office, working with staff from the San Francisco County Transportation Authority (Authority), have begun discussions with TICD and its consultants on a Draft Transportation Plan and have provided comments on an initial draft, which was called a Transportation Study.

In Fall 2006, TIDA and the San Francisco Board of Supervisors endorsed the Development Plan and Term Sheet for the Redevelopment of Naval Station Treasure Island (Development Plan), including the Transportation Plan attached as Exhibit J. Subsequent to endorsement of the Development Plan, additional work and steps will be necessary with regard to transportation planning to achieve a Disposition and Development Agreement (DDA). These steps include (i) additional analysis and work on the Transportation Plan, including further discussions with likely transit service providers and planning for a Treasure Island transportation demand management agency, and (ii) environmental impact review under the California Environmental Quality Act (CEQA).

The Mayor's Office and the Authority wish to conduct a more thorough analysis of the transportation options as presented in the Transportation Plan, per the following work scope, to be carried out by an independent consultant review team:

Task 1: Evaluation of Existing Status of Transportation Planning

1. Coordinate with staff of the Mayor's Office and the Authority for initial discussion on the currently proposed development plans, process and timeline and issues.
2. Review current draft of Transportation Plan prepared by TICD and its consultants.
3. Meet with TICD team, including land-use planners and transportation engineers, to review land use plan and Transportation Plan. Identify issues, opportunities and constraints.

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Task 1 Deliverables:

- Review and Comment on the Draft Transportation Plan.

Task 2: Analysis and Recommendations on Transportation Planning Alternatives for Redevelopment of Treasure Island

1. Evaluate and present to the Mayor's Office and the Authority recommendations for alternative measures, programs and systems to be evaluated for incorporation at NSTI. Such alternatives may include: transit systems such as ferry, bus, on-island shuttle; car sharing programs; amount of on-street and off-street parking and fee structures; land use and transportation linkages; transportation demand management options; and others. Recommendations should include an evaluation of both the capital costs as well as ongoing operating costs. Feasibility of sustaining ongoing operation of services should be evaluated as well.
2. Meetings with the Mayor's Office, the Authority, TICD and its consultants to discuss and evaluate recommended transportation planning alternatives.
3. Attend and represent the City, if requested by the Mayor's Office, at a minimum of four meetings regarding presentation of the Transportation Plan to TI/YBI CAB and the Authority Board. It is not anticipated that the consultant will typically prepare materials or make presentations for these meetings. Rather, the consultant shall attend to answer questions if necessary and gather input and guidance to be used in the development of the Transportation Plan.

Task 2 Deliverables:

- Recommendations for revision/enhancement of the Transportation Plan.
- Attendance at 4 public meetings (2 CAB and 2 Authority Board).

Task 3: Additional Consultation and Contingency

Staff anticipates that additional consultation services will be desired as the evaluation and planning is underway for the Transportation Plan. This additional consultation must be preauthorized in writing by the Project Lead, Jack Sylvan.

Task 4: Additional Consulting (Amendment A)

Nelson\Nygaard will continue working with the Mayor's Office and TIDA to develop a sustainable transportation plan for the proposed Treasure Island Development. This task is an add-on to the original agreement, which provided consulting services through the initial presentation of the Transportation Plan to the TIDA Board and Citizens Advisory Committee. Based on comments received in these and other venues, the Mayor's Office would like to continue the existing contract, providing consulting services on the transportation plan through endorsement of the term sheet for the development.

Task 4 Deliverables:

- Recommendations for revision/enhancement of the Transportation Plan.
- Attendance at additional meetings, as necessary.

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Task 5: Assist TIDA in Preparing Transportation Plan for DDA

Nelson/Nygaard will continue to assist the Mayor's Office and Authority via analysis of the elements of the Transportation Plan and review of subsequent versions of the Transportation Plan to develop the document and materials from Development Plan through the DDA. This additional analysis and consultation will include resolving outstanding issues and details not resolved in the Transportation Plan attached to the Development Plan, developing plans for implementing these elements, determining roles and responsibilities for program implementation, identification of potential funding sources, and working with Muni, WTA and other affected transit agencies to ensure that services will be available as development occurs.

Task 5 Deliverables:

- Recommendations for revision/enhancement of the Transportation Plan.
- Attendance at additional public and stakeholder meetings, as necessary.

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Task 6: Peer Review and Assistance Related to EIR

Nelson\Nygaard will, at the direction of the Mayor's Office, work with the EIR consultants to ensure that all transportation program elements are accurately analyzed. This is especially important given the complexity of the Transportation Plan which may require non-traditional tools and analysis techniques to fully evaluate the Demand Management and mode shift components of the plan.

Task 6 Deliverables:

- Recommendations for revision/enhancement of the transportation analysis related to the EIR.
- Attendance at additional public and stakeholder meetings, as necessary.

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This is the first amendment to this contract. Total costs for this amendment of $50,000 and the original and amended contract of $49,670 are $99,670. All expenses will be billed on a time and material basis, such that the City will pay only for work specifically requested and documented time expended.

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Task	B. Nelson	A. Millard-Ball	Total Hours	Total Cost
Rate	$175	$120		
1. Evaluate Existing Status				
Review Current Planning	10	8	18	$2,710
Meeting Attendance	16	8	24	3,760
Identify Initial Issues	8	8	16	2,360
2. Analysis and Recommendations				
Identify and Present Alternatives	32	32	64	$9,440
Internal Meetings	16	8	24	3,760
Public Meetings	16		16	2,800
3. Consultation and Contingency	32	32	64	$9440
4. Additional Consulting (Amendment A)				
Review Revised Plans	30			$5,250
Meeting Attendance	28			4,900
Preparation of Comments	30			5,250
5. Assist TDA in Preparing Transportation Plan for TDA	*120*			*$21,000*
6. LIR Peer Review and Assistance	*160*			*$28,000*
Direct Expenses				*$1,000*
Totals	*468*	64	162	$ 29,670

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Calculation of Charges

Nelson\Nygaard and Sub-consultant Cost Information

1. The below personnel rates are inclusive of all direct costs (except travel expenses) and indirect costs and profit.
2. Nelson\Nygaard may charge a 5% administrative fee on subcontractor expenses and direct costs.
3. Rates for personnel not shown will be comparable to those shown in the proposal in similar classifications. These rates will be subject to the approval of the Authority.

Hourly Rates for Nelson\Nygaard Team Personnel

Team Member	Position	Rate	Overhead	Fee	Hourly Rate
Nelson\Nygaard					
Bonnie Nelson	Senior Principal	$72.31	120%	10%	$175.00
	Principal	$43.39	120%	10%	$105.00
	Associate Project Director	$39.25	120%	10%	$95.00
	Senior Associate	$30.99	120%	10%	$75.00

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AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Agenda Item No. 8(e) **September 12, 2007**

Subject: Resolution Authorizing a Fifth Amendment to the Contract with Economic & Planning Systems for Economic Consulting Services in Support of Negotiations with the US Navy and the Master Developer By Retroactively Extending the Term for an Additional Ten Months through June 30, 2008 *(Action Item)*

Contact Jack Sylvan, Office of Base Reuse and Development

BACKGROUND

The Authority is currently engaged in a simultaneous, dual track process of negotiating transfer of the property from the U.S. Navy and negotiating a disposition and development agreement (DDA) with a master developer for the economic redevelopment of former Naval Station Treasure Island. An integral component of these interlinked negotiations is iterative financial feasibility and fiscal impacts evaluations. The Authority, like most public agencies with the responsibility of managing a development project of this complexity, has and will continue to rely on third party consultants with the technical expertise to assist with these services. Since 2003 the Authority has utilized Economic and Planning Systems (EPS) to provide economic and real estate consulting services to assist the Authority in its negotiations with both the prospective master developer and the U.S. Navy. The original contract has been amended four times during that period to add budget and extend the term consistent with the redevelopment planning and Navy negotiation process. The scope of work with EPS has consisted of the following tasks:

(1) Disposition and Development Negotiations with the master developer,
(2) Negotiations with the U.S. Navy, and
(3) a Fiscal Analysis relevant to both of the prior tasks.

As indicated at prior Authority Board meetings, upon endorsement of the Development Plan staff and TICD are making negotiations with the US Navy the highest immediate priority in the development planning process. In February of this year, the Authority amended the EPS contract by increasing the budget amount by $80,000 for a new not-to-exceed total of $265,000. This additional budget was to fund additional services to reach a term sheet agreement for transfer of the property from the U.S. Navy, consisting of the following components:

- ***EDC Application and Navy Negotiations.*** EPS assisted the Authority in completely revising the original EDC Application, as requested by the Navy. This includes a new jobs generation analysis, revised business plan and terms sections and revised analysis of the San Francisco region economy, each required elements of the EDC Application. EPS will continue to assist the Authority in preparing and attending meetings with the

Navy, working with Navy economic and appraisal consultants, responding to information requests from the Navy and their consultants, conducting sensitivity analysis of business terms and strategically advising the Authority on its negotiations with the US Navy.

- ***DDA Negotiations and Analysis.*** As staff has indicated previously, the Financing Plan attached to the Development Plan will require adjustment or refinement associated with additional cost factors which are known or need to be evaluated (submarine cable, transition plan, etc.). Staff will provide the Navy with this information to factor into the property conveyance negotiations as it is prepared and will require the assistance from EPS in preparing materials and reviewing information prepared by TICD. EPS will also strategically advise the Authority as the negotiations with the Navy and TICD play out simultaneously.
- ***Fiscal Analysis.*** As the negotiations with the Navy and TICD will trigger analysis of the Financing Plan, so will they likely trigger further analysis and response to questions regarding the Fiscal Impacts Analysis. EPS will provide the necessary support for both discussions with TICD and negotiations with the Navy on this task.

In July, the Authority submitted to the Navy an Amended Economic Development Conveyance Application for former Naval Station Treasure Island. Furthermore, some work has been conducted on the fiscal analysis and project pro forma in support of delivery of information to the Navy. However, the substantive business negotiations with the Navy still remain and staff still believes it is prudent to continue to work with EPS through negotiation of a term sheet agreement with the Navy for property transfer. While there remains sufficient budget for EPS to provide the services under the existing contract, the term of the contract expired on August 31, 2007. Therefore, the contract amendment extends the term of the contract through June 30, 2008, an extension length that provides sufficient time for these term sheet negotiations with the Navy to be consummated. It remains the intention of staff to initiate a competitive bidding process for economic and real estate consulting services necessary after this phase of Navy negotiations has been completed.

The funds for this contract amendment were budgeted in the Authority's FY 2007-08 budget and 100 percent of the costs will be reimbursed by TICD under the terms of the Exclusive Negotiating Agreement between the Authority and TICD.

RECOMMENDATION

Staff recommends approval of the Fifth Amendment to the contract with EPS retroactively extending the term through June 30, 2008.

EXHIBITS

A Fifth Amendment to Contract with EPS

[Authorization to Execute Fifth Amendment to Contract with Economic and Planning Systems]

Authorizing a Fifth Amendment to the contract with Economic and Planning Systems for economic consulting services in support of negotiations with the U.S. Navy and the Master Developer by retroactively extending the term for an additional ten months through June 30, 2008.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, Treasure Island was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, In 1995, the General Services Administration and the Bureau of Land Management determined that Yerba Buena Island was surplus to the Federal Government's needs and could be transferred to the administrative jurisdiction of the Department of Defense under the Base Closure and Realignment Act of 1990 and disposed of together with Treasure Island; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority

as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to the public trust for commerce, navigation and fisheries (the "Tidelands Trust"), vested in the Authority the authority to administer the Tidelands Trust as to such property; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency for Treasure Island in 1997; and,

WHEREAS, The Authority issued a Request for Proposals ("RFP") for Consultant Services to assist the Authority in preparation of an Economic Development Conveyance ("EDC") Application and the creation and adoption of a Redevelopment Plan for former Naval Station Treasure Island on July 15, 1998; and,

WHEREAS, Economic and Planning Systems ("EPS") responded to the RFP as a member of the Sedway Group team to provide economic consulting services; and,

WHEREAS, The Authority authorized the Executive Director to execute a contract with the Sedway team based on the fact that the Sedway team was the highest ranked respondent to the RFP; and,

WHEREAS, The EDC application has been completed, as specified under the terms of the contract; and,

WHEREAS, In response to a Navy request, EPS assisted the Authority in 2003 by updating the original EDC Application; and,

WHEREAS, On September 8, 2004, the Authority authorized the Executive Director to execute a new contract with EPS to provide economic consulting services expected to complete the process of negotiating a transfer of property with the Navy and completion of the Disposition and Development Agreement with the master developer in an amount not-to-exceed $150,000; and,

WHEREAS, On December 14, 2005, the Authority authorized the Executive Director to extend the term of the contract with EPS to June 30, 2006, a timeframe that was consistent with the Authority's schedule for endorsement of a Development Plan and Term Sheet by the Authority Board and Board of Supervisors; and,

WHEREAS, On April 17, 2006, the Authority approved a contract amendment increasing the budget by $35,000 for a total not-to-exceed contract amount of $185,000; and,

WHEREAS, On July 26, 2006, the Authority approved a contract amendment extending the term of the contract with EPS to December 31, 2006 to provide the Authority with the continued services of EPS during the completion of the Development Plan and Term Sheet consistent with the further extended timeframe approved by the Authority; and,

WHEREAS, The Authority Board and the Board of Supervisors endorsed the Development Plan and Term Sheet in the Fall of 2006; and,

WHEREAS, Upon endorsement of the Development Plan and Term Sheet, conveyance negotiations with the Navy has become the highest immediate priority in the development planning process; and,

WHEREAS, On February 14, 2007, the Authority approved an amendment to the contract with EPS increasing the budget by an additional $80,000 under the basis that it was most efficient and effective to utilize EPS for the immediate needs of revising the EDC Application and assisting the Authority in negotiating a conveyance term sheet with the Navy due to EPS' familiarity with the EDC Application and the Development Plan and Term Sheet; and,

WHEREAS, The Authority has submitted an Amended Economic Development Conveyance Application to the Navy; and,

WHEREAS, Negotiating a conveyance term sheet with the Navy has not been consummated and, therefore, staff still requires the services of EPS and sufficient funds remain in the contract for that work but the contract expired on August 31, 2007; and,

WHEREAS, Authority staff intend that upon completion of the phase of negotiating a term sheet agreement with the Navy for conveyance of the property, a competitive selection process will be initiated to select a contractor to provide economic and real estate consulting services in the subsequent phase of negotiations with the Navy and the master developer; now therefore be it

RESOLVED, That the Authority hereby authorizes the Director of Island Operations to execute a fifth amendment to the contract with EPS to assist the Authority with economic consulting services in support of negotiating a conveyance term sheet with the Navy, by retroactively extending the term for an additional ten months through June 30, 2008, in substantially the form attached to this resolution as Exhibit A.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on September 12, 2007.

_____

Owen Stephens, Secretary

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TREASURE ISLAND DEVELOPMENT AUTHORITY
CITY AND COUNTY OF SAN FRANCISCO

FIFTH AMENDMENT

THIS FIFTH AMENDMENT (this "Amendment") is made as of September 1, 2007, in San Francisco, California, by and between Economic and Planning Systems ("Contractor"), and the Treasure Island Development Authority, a municipal corporation ("Authority"), acting by and through its Director of Island Operations ("Director").

RECITALS

WHEREAS, Authority and Contractor have entered into the Agreement (as defined below); and

WHEREAS, Authority and Contractor desire to modify the Agreement on the terms and conditions set forth herein;

NOW, THEREFORE, Contractor and the Authority agree as follows:

1. **Definitions**. The following definitions shall apply to this Amendment:

(a) Agreement. The term "Agreement" shall mean the Agreement dated September 1, 2004 between Contractor and Authority, as amended by a First Amendment dated January 1, 2006, a Second Amendment dated April 17, 2006, a Third Amendment dated July 1, 2006 and a Fourth Amendment dated February 14, 2007.

(b) Other Terms. Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

2. **Modifications to the Agreement**. The Agreement is hereby modified as follows:

(a) Section 2, Term of the Agreement, is hereby amended to read as follows:

Subject to Section 1, the term of this Agreement shall be from September 1, 2004 through June 30, 2008.

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3. **Effective Date**. Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.

4. **Legal Effect**. Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and Authority have executed this Amendment as of the date first referenced above.

AUTHORITY

Recommended by:

_____
Treasure Island Development Authority

Approved as to form

Dennis J. Herrera
City Attorney

By _____
Deputy City Attorney

CONTRACTOR

By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.

I have read and understood Paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

_____
James R. Musbach, Managing Principal
Economic and Planning Systems (EPS)
2501 Ninth St. Suite 200
Berkeley, CA 94710
Tel: 510/398-2853
Fax: 510/841-9208
FEIN:

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Agenda Item No. 9 **September 12, 2007**

Subject: Authorizing the Third Amendment to the Revenue Sharing and Consent Agreement between The Treasure Island Development Authority and The Treasure Island Homeless Development Initiative (*Action Item*)

Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0660

BACKGROUND

In March 1999, the Treasure Island Development Authority (the "Authority") entered into a series of agreements that provided the basis for the lease and management of residential property on Treasure Island and Yerba Buena Island. Those agreements included the Sublease, Development, Marketing and Property Management Agreement between the Treasure Island Development Authority as Sublandlord and The John Stewart Company, as Subtenant and Manager ("JSCO Agreement"). The JSCO Agreement calls for the John Stewart Company ("JSCO") to manage and lease market rate residential units on Treasure Island and Yerba Buena Island for the benefit of the Authority and the Treasure Island Homeless Development Initiative ("TIHDI").

The JSCO market rate portfolio consists of units leased by the Authority from the US Navy and in turn subleased to the John Stewart Company, plus units allocated for sublease to TIHDI member organizations that were in turn borrowed by the Authority and subleased to JSCO ("Borrowed Units"), subject to the terms and conditions of the Revenue Sharing and Consent Agreement between the Authority and TIHDI ("Sharing Agreement"). The Sharing Agreement calls for JSCO to lease the units subject to the Sharing Agreement at market rates and for the Authority to share the revenue distributed by JSCO to the Authority as percentage rent with TIHDI.

At its regular meeting of March 22, 2006, the Authority agreed to a request from TIHDI to release fifty four (54) units from the Sharing Agreement and to return those units to TIHDI for use by member organizations- Community Housing Partnership and Walden House. At the same time, the Authority accepted a recommendation from Project Staff to change the Sharing Agreement formula for calculating revenue shared with TIHDI based on a factor established by the number of units then managed by JSCO, including units that were transferred to TIHDI member organizations on July 1, 2007. The Authority approved the Project Staff recommendation that Ten and Eighty Three One Hundredths Percent (10.83%) of percentage rent distributed to the Authority by JSCO be distributed to TIHDI, commencing July 1, 2007, the date of the 54 unit transfer.

A recent review of the formula recommended by Project Staff on March 22, 2006 reveals that the factor of 10.83% is incorrect because the number of units managed by JSCO has been reduced by the number of units returned to TIHDI. Based on the current allocation of residential units Project Staff, with the support of JSCO staff and TIHDI staff, recommends that Eight and Forty Nine One Hundredths Percent (8.49%) of percentage rent distributed to the Authority by JSCO be provided to TIHDI.

RECOMMENDATION

Staff recommends approval of the Third Amendment to the TIHDI Sharing Agreement to require the Authority to distribute to the Treasure Island Homeless Development Initiative 8.49% of percentage rent distributed to the Authority by the John Stewart Company.

EXHIBITS:

A. Third Amendment to Revenue Sharing and Consent Agreement between the Authority and the Treasure Island Homeless Development Initiative.

Prepared by Marc McDonald, Facilities Manager
for Mirian Saez, Director of Island Operations

[TIHDI Sharing Agreement Modification]

APPROVING AND AUTHORIZING AN AMENDMENT TO THE SHARING AGREEMENT BETWEEN THE AUTHORITY AND THE TREASURE ISLAND HOMELESS DEVELOPMENT INITIATIVE

WHEREAS, On May 2, 1997, the Board of Supervisors (the "Board") passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, Pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994, the Treasure Island Homeless Development Initiative ("TIHDI") and the San Francisco Redevelopment Agency negotiated a Base Closure Homeless Assistance Agreement and Option to Sublease Real Property, which was endorsed by the City's Board of Supervisors and approved by the United States Department of Housing and Urban Development in connection with its consideration of the Draft Reuse Plan (the "TIHDI Agreement"); and,

WHEREAS, Pursuant to the TIHDI Agreement, TIHDI, among other things, is granted the right, upon the satisfaction of certain conditions precedent, to have one or more of its member organizations sublease up to 375 Housing Units (the "TIHDI Units"), of which 90 of the housing units are on Yerba Buena Island, and up to 285 housing units on Treasure Island for homeless San Franciscans, as more particularly described in the TIHDI Agreement; and,

WHEREAS, For reasons mutually beneficial to TIHDI and to the Authority, the parties entered into that certain Revenue Sharing and Consent Agreement dated March 1, 1999 (the "Sharing Agreement"), whereby TIHDI agreed to allow the Authority to include 112 of the TIHDI Units (the "Borrowed Units") and the 41 YBI Units in a Sublease, Development, Marketing and Property Management Agreement (the "JSCo Sublease") between the Authority and John Stewart Company ("JSCo"). The parties also agreed to share revenues from the Borrowed Units and the 41 YBI Units as set forth in the Sharing Agreement; and,

WHEREAS, In August 2000, the parties entered into the First Amendment to Revenue Sharing and Consent Agreement (the "First Amendment") whereby TIHDI agreed to exchange 52 YBI Units plus 1 Treasure Island unit that were reserved for TIHDI member organizations and, in return, the Authority agreed to make 52 additional units on Treasure Island available to TIHDI member organizations to sublease, all as more particularly set forth in the First Amendment; and,

WHEREAS, On March 22, 2006, the parties entered into the Second Amendment to the Sharing Agreement whereby the parties agreed that it was in the mutual best interest of the parties to change the Sharing Agreement formula for calculating revenue shared with TIHDI to a simplified method effective July 1, 2007; and,

WHEREAS, Project Staff has reviewed the Sharing Agreement formula described in the Second Amendment and determined that said Sharing Agreement formula is incorrect; and,

WHEREAS, the parties agree that the original and the current intent of the Sharing Agreement is to assure that TIHDI receive a proportional share of percentage rent distributed to the Authority by JSCO; Now, Therefore Be It

RESOLVED, That the Authority authorizes the Director of Island Operations to execute the Third Amendment to the Sharing Agreement to change the method used to calculate revenue shared by the Authority with TIHDI from Ten and Eighty Three One Hundredths Percent (10.83%) to Eight and Forty Nine One Hundredths Percent (8.49%) of percentage rent distributed to the Authority by JSCO be distributed to TIHDI; and Be It

FURTHER RESOLVED, That the Third Amendment to the TIHDI Sharing Agreement shall be effective July 1, 2007, in substantially the form attached as Exhibit A.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on September 12, 2007.

_____
Owen Stephens, Secretary

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EXHIBIT A

THIRD AMENDMENT TO

REVENUE SHARING AND CONSENT AGREEMENT

Between

THE TREASURE ISLAND DEVELOPMENT AUTHORITY

And

THE TREASURE ISLAND HOMELESS DEVELOPMENT INITIATIVE

THIS THIRD AMENDMENT TO REVENUE SHARING AND CONSENT AGREEMENT ("Third Amendment"), dated for reference purposes as of_____, 2007, is by and between the Treasure Island Development Authority (the "Authority") and the Treasure Island Homeless Development Initiative ("TIHDI").

This Third Amendment is made with reference to the following facts and circumstances:

A. Pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994, TIHDI and the San Francisco Redevelopment Agency negotiated a Base Closure Homeless Assistance Agreement and Option to Sublease Real Property (the "TIHDI Agreement"), which was endorsed by the City's Board of Supervisors and approved by the United States Department of Housing and Urban Development in connection with its consideration of the Draft Reuse Plan for former Naval Station Treasure Island.

B. Under the TIHDI Agreement, TIHDI, among other things, is granted the right, upon the satisfaction of certain conditions precedent, to have one or more of its member organizations sublease up to 375 Housing Units (the "TIHDI Units"), of which 90 of the housing units are on Yerba Buena Island, (41 of which are to remain available to the Authority for up to five years (the "41 YBI Units")) and up to 285 housing units on Treasure Island for homeless San Franciscans, as more particularly described in the TIHDI Agreement.

C. For reasons mutually beneficial to TIHDI and to the Authority, the parties entered into that certain Revenue Sharing and Consent Agreement dated March 1, 1999 (the "Original Sharing Agreement"), whereby TIHDI agreed to allow the Authority to include 112 of the TIHDI Units (the "Borrowed Units") and the 41 YBI Units in a Sublease, Development, Marketing and Property Management Agreement (the "JSCo Sublease") between the Authority and John Stewart Company ("JSCo"). The parties also agreed to share revenues from the Borrowed Units and the 41 YBI Units as set forth in the Sharing Agreement. According to the Sharing Agreement TIHDI was entitled to fifty percent (50%) of the percentage rent attributable to the 41 YBI Units, plus forty percent (40%) of the Proportionate Share of percentage rent earned from Borrowed Units on Treasure Island in which Proportionate Share was defined as the number of Borrowed Units divided by the number of market rate units managed by JSCO on Treasure Island.

D. In August 2000, the parties entered into the First Amendment to Revenue Sharing and Consent Agreement (the "First Amendment") whereby TIHDI agreed to exchange 52 YBI Units plus 1 additional Treasure Island unit that were reserved for TIHDI member organizations. In return, the Authority agreed to make 52 additional units on Treasure Island available to TIHDI member organizations to sublease, all as more particularly set forth in the First Amendment. The Original Sharing Agreement and the First Amendment are hereby collectively referred to herein as the "Sharing Agreement."

E. On March 22, 2006, the parties entered into the Second Amendment to Revenue Sharing and Consent Agreement (the "Second Amendment") whereby the parties agreed among other things to change the revenue sharing formula and to require the Authority to share with TIHDI Ten and Eighty Three One Hundredths Percent (10.83%) of percentage rent distributed to the Authority by JSCO pursuant to the terms of the JSCO Sublease.

F. It has been determined that the sharing formula described in the Second Amendment is not correct and the parties agree that the original and the current intent of the Sharing Agreement is to assure that TIHDI receive a proportional share of percentage rent.

NOW THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the Authority and TIHDI hereby agree as follows:

1. Definitions. Except as specifically defined herein, initially capitalized words and phrases shall have the same meaning given such words and phrases in the Sharing Agreement.

2. Revenue Sharing for Borrowed Units. The Authority and TIHDI have agreed that effective July 1, 2007, Section 4 of the Sharing Agreement will be amended by deletion and replaced in its entirety with the following:

> "4. Revenue Sharing for Borrowed Units on Treasure Island. Beginning on July 1, 2007, TIHDI will be entitled to Eight and Forty Nine One Hundredths Percent (8.49%) of percentage rent distributed to the Authority by JSCO."

3. Counterparts. This Third Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

5. Terms and Conditions of Sharing Agreement Remain in Force and Effect. Except as specifically amended by this Third Amendment, the terms and conditions of the Sharing Agreement shall remain in full force and effect.

The Authority and TIHDI have executed this Third Amendment in triplicate as of the date first written above.

AUTHORITY:	TIHDI:
TREASURE ISLAND DEVELOPMENT AUTHORITY	TREASURE ISLAND HOMELESS DEVELOPMENT INITIATIVE
By:	By:

Mirian Saez Director of Island Operations Approved as to form: DENNIS J. HERRERA City Attorney By: _____ Deputy City Attorney	Ms. Sherry Williams Executive Director

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Agenda Item No. 10 **September 12, 2007**

Subject: **Resolution Authorizing the Director of Island Operations to Enter into Sole Source Negotiations with the Treasure Island Job Corps to Sublease and Operate the Treasure Island Café.** ***(Action Item)***

Contact **Mirian Saez, Director of Island Operations**
Phone **(415) 274-0660**

BACKGROUND

On October 1, 1998, the Treasure Island Development Authority (the "Authority") entered into a Sublease with the Delancey Street Foundation ("Delancey Street") for use of Building 229 as a charter school known as the Life Learning Academy, and Buildings 183 and 298 as a coffee shop/café in association with their vocational program for culinary arts.

On September 13, 2000, in response to a request by Delancey Street, the Authority approved an amendment to the Sublease to delete Building 298 from the premises. Delancey Street retained Building 183 where it operates the full-service Café that is staffed by the Delancey Street Life Learning Academy faculty, staff and students. The Café, known as the Crossroads Café, is open Tuesdays through Saturdays during breakfast and lunch hours. It serves Treasure Island residents, workers, students and visitors. As the Crossroads Café is an extension of the school, it is not open during most school holidays.

The current term of the Sublease expires November 30, 2007. Delancey Street announced its intention to discontinue its Crossroads Café operations effective November 30, 2007 due to poor sales and the inability to generate sufficient revenue to operate without significant financial loss. A copy of Delancey Street's notice is attached as Exhibit A. The Crossroads Café provides a substantial public benefit to the Treasure Island community as a center for convenient, prepared food for residents and visitors to the Island. Further, it provides a substantial public benefit to the City and County of San Francisco as a training and education facility for youth. Consequently, the Authority has made substantial accommodations to Delancey Street by waiving rent and CAM throughout the history of the Crossroads Café operations.

The Island community has learned of the pending closure of the Crossroads Café and has responded with statements of interest to keep this vital facility open. The Treasure Island Yacht Club has expressed an interest through conversations with Project Staff to take over operations of the Crossroads Café. Project Staff has received a written Business Plan Briefing for the Island Café (a copy of which is

attached as Exhibit B) from Treasure Island residents Michael Zaun, Logan Presnell and Snehal Patel.

The Treasure Island Job Corps Center, which is administered by the United States Department of Labor, has also contacted Project Staff with an expression of interest in assuming operations of the Crossroads Café. Their written expression of interest (a copy of which is attached as Exhibit C) committed to submit a proposal to Project Staff by September 21, 2007.

Job Corps occupies forty acres of land in the center of Treasure Island. This land was deeded by the US Navy to the Department of Labor during base closure for the purpose of establishing a Job Corps facility.

Similar to the mission of the Delancey Street Life Learning Academy, the mission of Job Corps is to provide disadvantaged young adults the opportunity to be responsible and productive members of the workforce through a rigorous educational and vocational training program. The Treasure Island Job Corps Center is a training facility which provides youth the opportunity to learn a trade, complete their high school education, participate in hands-on job training, and receive job placement support. The facility has the capacity to house over 700 residential trainees as well as non-resident trainees. Training is available in a variety of disciplines ranging from general office skills through accounting, and construction trades as well as basic and advanced culinary skills.

Sole Source Negotiations

The Treasure Island Development Authority Rules and Procedures for Transfer and Use of Real Property (the "Transfer Rules") generally require that the process for transfer or sublease of real estate maximize open and free competition through the completion of an open, public process for solicitation of proposals and potential subtenants subject to certain exceptions. Section 10 of the Transfer Rules authorizes the Authority to enter into subleases with a public agency, including the federal government or any subdivision thereof, for a public purpose, without prior announcement of the availability of the property or any prior solicitation.

Job Corps is operated under the auspices of the US Department of Labor as a Federal program that has the public purpose of providing public educational instruction. Therefore, negotiations between the Authority and the Job Corps for the sublease of the Crossroads Café are exempt from the obligation to make a solicitation for competing proposals prior to entering into negotiations for the facility.

Project Staff recommends that the Authority enter into sole source negotiations with the Job Corps for the sublease and operation of the Crossroads Café for the following reasons:

- Similar to the Delancey Street Life Learning Academy, the Treasure Island Job Corps Center provides a substantial public benefit to the City and County of San Francisco

as a training and education facility for youth. As the training includes instruction and hands-on experience in culinary arts ranging from catering through fine dining, Job Corps' operation of the Crossroads Café would be a natural extension of the training opportunities available to Job Corps youth. Through the skills and confidence gained by operating and managing the Crossroads Café, the opportunities for trainees to find gainful employment in San Francisco upon graduation will be enhanced.

- The Crossroads Café is one of the few amenities available to residents and visitors to Treasure Island. Project Staff anticipates that a public solicitation process for a new subtenant for the Crossroads Café will take up to six months, during which time the Crossroads Café will remain closed. On the other hand, sole source negotiations with Job Corps will reduce the time that this amenity will be closed to the public.

Job Corps staff is excited to extend their culinary talent to operate the Crossroads Café. As a result, Project Staff anticipates that negotiations with Job Corps for the Crossroads Café will be successful. However, if negotiations with Job Corps do not lead to a mutually satisfactory conclusion, Project Staff will explore opportunities to secure a subtenant for the Crossroads Café through a public solicitation process.

Status of Discussions

Job Corps has informed Project Staff that it would like to take possession of the premises commencing December 1, 2007. Start up activities will consist of renovating the premises and training youth in café operations and business. Once they begin service, they will provide daily uninterrupted service through November 30, 2008. They have indicated a strong interest in extending the hours to include evening hours.

Current business issues under review by Job Corps are: (i) costs to purchase existing equipment from Delancey Street; (ii) projected start up costs; and, (iii) establishment of a pro forma which would include making rental payments to the Authority. According to the appraisal prepared for the Authority by Carneghi, Blum and Associates, fair market rent for the 640 square foot facility is Eight Hundred Dollars ($800) per month or $1.25 per square foot on a NNN basis.

RECOMMENDATION

Project Staff recommends that the Authority approve sole source negotiations between the Authority and Job Corps for the sublease of the Crossroads Café.

As negotiations proceed, Project Staff will return to the Authority Board with reports about the progress of discussions. Primary issues under discussion will include:

- A Written Business Plan
- Offerings, including a menu, hours of operation and amenities
- Consideration payable to the Authority
- Improvements to the Premises
- Term

Upon the successful conclusion of the discussions, Project Staff will present a sublease detailing the business terms to the Authority for approval in accordance with Section 10 of the Transfer Rules.

EXHIBITS

A. Life Learning Academy Notice of Termination
B. Business Plan Briefing for Island Café
C. Job Corps Expression of Interest

Prepared by Marc McDonald, Facilities Manager
for Mirian Saez, Director of Island Operations

FILE NO. _____ RESOLUTION NO. _____

[Job Corps Sole Source Negotiations to Sublease and Operate the Café]

RESOLUTION AUTHORIZING THE DIRECTOR OF ISLAND OPERATIONS TO ENTER INTO SOLE SOURCE NEGOTIATIONS WITH THE TREASURE ISLAND JOB CORPS TO SUBLEASE AND OPERATE THE TREASURE ISLAND SNACK BAR/CAFÉ.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America (the "Navy"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, On October 1, 1998, the Authority and the Delancey Street Foundation entered into a Sublease for the use of certain buildings, including the use of Building 298 as a coffee shop/café; and,

WHEREAS, Delancey Street has informed the Authority that effective on the November 30, 2007 expiration date of the Sublease, it will terminate its operation of the coffee shop/cafe; and,

WHEREAS, The Treasure Island Job Corps Center, a subdivision of the US Department of Labor, has expressed an interest in entering into negotiations with the Authority

to sublease and operate the Café as an element of the hands on training program for youth enrolled in the Job Corps Culinary Academy; and,

WHEREAS, The Treasure Island Development Authority Rules and Procedures for Transfer and Use of Real Property (the "Transfer Rules") require that the process for transfer or lease of real estate maximize open and free competition through the completion of an open, public process for solicitation of proposals and potential tenants subject to certain exceptions; and,

WHEREAS, Under Section 10 of the Transfer Rules, the Authority is allowed to enter into a sublease without prior announcement of the availability of the premises or any prior solicitation when the transfer is made to a public agency, including the federal government or any subdivision thereof, for a public purpose; and,

WHEREAS, The Job Corps training facility is operated under the auspices of the US Department of Labor as a federally funded program that has the public purpose of providing public educational and vocational instruction; and,

WHEREAS, The Job Corps would use the Café to provide disadvantaged youth educational and vocational training opportunities, such opportunities being identifiable public benefits; Now, Therefore, Be It,

RESOLVED, That the Authority hereby authorizes the Director of Island Operations to enter into sole source negotiations with the Job Corps for the sublease and operation of the Café for the identifiable public purpose of providing disadvantaged youth public educational, vocational and training opportunities in café management and operations.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on September 12, 2007.

_____
Owen Stephens, Secretary

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DEUMENT

LIFE LEARNING ACADEMY
651 Sth Street, Treasure Island San Francisco, California 94130 · 415.367.8657 · fax 415.367.9274



Ms. Mirian Saez
Treasure Island Development Authority
410 Avenue of the Palms Bldg. 1 2nd Floor
San Francisco, CA 94130

June 6, 2007

Dear Ms. Saez:

In developing the budget for the Life Learning Academy for the 2007-08 school year we have come to the decision that we will be unable to renew the lease for Building 183 on Treasure Island that we currently operate as the Crossroads Cafe by the Bay. It is our understanding that the lease terminates November 30, 2007. This has been a very difficult decision for us as the Café has been a terrific vocational training program for our students and a wonderful way for us to get to know the residents and staff on the island. However, we have spent a great deal of time working through a variety of scenarios in terms of staffing, hours and services, but we have come to the very sad conclusion that there is no way for Life Learning Academy to operate the business without significant financial loss, which threatens to drain resources from core school operations.

We are so appreciate of the support your office and the Treasure Island Development Authority Board have given our students at the café over the years and we look forward to working on future projects with you.

Sincerely,

Carol Kizziah
Life Learning Academy

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Business Plan Briefing for Island Café

Summary

The Clipper Cove Cafe is a restaurant located on Treasure Island in San Francisco. The restaurant features a full menu of moderately priced "comfort" foods. The cafe section of The Clipper Cove Cafe features a coffeehouse with a breakfast/lunch menu, a dessert bar, island community art displays, space for live performers and fantastic views of City of San Francisco.

The Clipper Cove Cafe will be owned and operated by The YBI Brother's LLC, a California limited liability corporation managed by Logan, a resident of the island. The members of the LLC are Michael Zaun(30%), Logan Presnell (30%), Snehal Patel (30%) and the remaining 10% will be donated to Local Island non-profit causes, especially help preserve the native natural habitat of YBI.

This is a work in process business plan that offers you an opportunity to review our vision and strategic focus. Once completed, it will provide a step-by-step plan for the business start-up, establishing favorable sales numbers, gross margin, and profitability.

The final plan will include chapters on the company, products and services, market focus, action plans and forecasts, management team, and financial plan.

Objectives

1. To be able to use two locations: Crossroads Café and the Security Gate Building
2. To create multiple revenue streams and generate net profit within a year.
3. Provide basic café services including a vast drink menu and a varied selection of prepared foods
4. Utilize local island resources, organizations and community involvement.
5. Fulfill the needs of Island Community.
6. Hours of operation consistent and reliable.

Mission

The Clipper Cove Cafe concept is to build a unique success story of San Francisco's one and only island community. The Clipper Cove Cafe will provide accessible and affordable quality food, coffee-based products, essential grocery items, souvenir items, guided tours and entertainment to potentially hundreds of residents and visitors to the island. In time, The Clipper Cove Cafe will establish itself as a "destination" of choice to the many residents of the greater San Francisco metropolitan area, as well as numerous out-of-town visitors.

The establishment will provide a "unique" experience for visitors while they are enjoying the beautiful views and at the same time provide the local community with the much needed services. Not only will patrons be able to rely on quality and essential services but they will do so on the island.

The cafe's aim is simple. It will provide a completely sophisticated, sensual, yet casual dining and coffeehouse experience for the many San Franciscans and visitors who frequent the city's casual dining spots and entertainment venues. It will be an affordable venture for patrons; one that will encourage them to return on many occasions. For local residents the convince of not leaving the Island to pick up eggs, milk and other small grocer needs will be just another reason Clipper Cove Café will be loved by all.

Navy and/or US Coast Guard.

Marina: We could work with the Clipper Cove Marina to offer boat trips around the bay. The cafe would function as a meeting/starting/sign-up location, generating revenue. Fishing trips, work with the TI sailing center.

TI Museum: All of the museums content is in storage, we could possibly use some of these items to decorate our cafe, and draw attention to the island and their importance in history. We have heard that there are incredible pictures and huge massive statues.

Revenue Streams

- Coffee, tea and drink sales
- Deli, to-go, and prepared food sales
- Sell local art from island artists
- Sell gift items (vases, pictures), tourist items, shirts, hats
- Sell basic grocery items (not to conflict with deli foods)
- Provide catering & boxed lunch services for island residences
- Provide catering for parties, events, and meetings
- Possibly sell Beer and wine in the evening

Finally, and quite significantly, The Clipper Cove Cafe will provide a much needed neighborhood-based retail food operation that is currently not available on this beautiful island of San Francisco. We are still working on projections and figures, but rest assure we will generate new jobs, provide essential services to the community, increase visitors to the island, bring more commercial activity to the island and help our community grow.

Keys to Success

The keys to success in this business are:

1. Product quality: Food, coffee-based beverages, groceries, entertainment, and other goods and services are our products. They must be of the high quality and value.
2. Service: Our patrons are paying to have a good time. Their experience will suffer if service is not of the highest caliber. Each member of the staff will be courteous, efficient, and attentive.
3. Marketing: We will need to target our audience early and often. While the business is located in a central and accessible location, many people will have to be re-introduced to the café.
4. Management: We will need to have a firm grasp on food, beverage, and labor costs. The dining/entertainment/coffeehouse experience must be delivered in a fashion that will not only inspire repeat business, but encourage word-of-mouth recommendations to others. Proper inventory, employee management, and quality control are keys.

Products (Work in progress)

The Clipper Cove Cafe is a cafe/restaurant/coffeehouse/grocery venue that sells moderately-priced food. The venue features brewed coffee and espresso-based beverages variety of teas, fruit smoothies and juices, and other beverages typically associated with a coffee shop. A dessert bar will serve a range of freshly prepared desserts, as well as baked goods associated with breakfast and lunch, including light sandwiches.

Luncheon offerings will contain both carry-out and dine-in menu selections, while evening hours will accommodate appetizer & light snacks (still work in progress) and service.

Reflecting a target niche market, the venue will feature art and products made by local artists, providing a cross-selling opportunity.

Specialty coffees, espresso-based drinks, desserts and pastries, and light sandwiches will be available in the coffee shop.

Niche-magazines and newspapers will be readily available for purchase by the venue's patrons.

Musical offerings will span jazz, Latin, and urban musical traditions. The outdoor performance space will also offer ample opportunities for space for an artist, poet, reader, etc. When not in use as a stage, the space will double as a customer seating area with tables and chairs.

Other Products under consideration

Trails: We could eventually start walking/hiking tours of YBI out of the cafe, this will bring in business to the cafe, and attract new ecological visitors to the island. We could work with local preservation groups, get free publicity, generate money for YBI. Beach tours, miles of trails, possible biking, clean-up parties, and trash pick up?

Tours: The Nimitz House, Airport or Concourse building (Incredible art next to the cafe), and the U.S. Coast Guard Base. This will help involve various island organizations, and possibly the

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1 Avenue, Bldg. 442
Treasure Island
San Francisco, California 94130

phone: 415 277 2400
fax: 415 705.1776

August 17, 2007

Mirian Saez
Director of Island Operations
Office of the City Administrator
410 Avenue of Palms
San Francisco, CA 94130

Dear Mirian

Please accept my letter of formal notification that the Treasure Island Job Corps Center program is interested in the operation of the Crossroad Cafe located on Treasure Island. I will submit a formal proposal to you September 21, 2007.

Should you have any questions or concerns around this time frame, please let me know.

Sincerely

Benjie Williams
Center Director

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Agenda Item No. 11 **September 12, 2007**

Subject: Resolution to Amend the Interim Subleasing Policy and Rental Rate Schedule for Treasure Island Development Authority (Action Item)
Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0665

BACKGROUND

In December of 2005, the San Francisco Unified School District (the "SFUSD") closed the Treasure Island School. The Boys & Girls Clubs of San Francisco subleases two of the stand-alone buildings to provide recreational and instructional services to young people. The main school building has remained vacant and unused since the school closed. In June of 2007, the SFUSD informed the US Navy that it had elected to terminate its lease with the US Navy for the Treasure Island School effective July 2, 2007. At the regular meeting of July 11, 2007, the Treasure Island Development Authority Board of Directors (the "Authority Board") authorized the Director of Island Operations to execute an amendment to the Land & Structures Lease with the US Navy to add the Treasure Island School to the lease premises, thereby making the property eligible for sublease to third parties.

During the interim period preceding the transfer of the real property from the US Navy to the Treasure Island Development Authority (the "Authority"), the Authority earns operating revenue by subleasing property leased from the US Navy. At the regular meeting of the Authority Board on January 10, 2007, Project Staff identified properties suitable for sublease, and at the regular meeting on July 11, 2007, the Authority Board adopted the Treasure Island Development Authority Interim Subleasing Policy (the "Subleasing Policy") to update rules and procedures for subleasing real property during the interim period, including the establishment of minimum rental rates for commercial properties.

The Treasure Island School was not among the properties identified as suitable for sublease at the Board meeting in January 2007, nor was a minimum rental rate recommended for the property at the July meeting because Project Staff had not identified the facility as suitable for sublease at the time of those meetings.

Since that time, Project Staff has had an opportunity to inspect and evaluate the property for its suitability for sublease. The property contains over 30,000 square feet of space. The main building is divided into classrooms, a central office, auditorium, a full kitchen and five standalone buildings containing a total fourteen classrooms. Each classroom is heated individually. There is no air-conditioning. Water and other utilities are shared in

common. Additionally, the property has two large paved yards designed as playgrounds and suitable for use by light vehicles. The roof is in good condition and all systems are operational. The property is in good condition, with some evidence of vandalism in the form of boarded up windows and graffiti. The facility is alarmed. Based on the condition of the property, Project Staff considers the property suitable for sublease.

Project Staff also evaluated the property to identify its Highest and Best Use and a fair market Minimum Rental Rate. In conducting this evaluation Project Staff referred to the appraisal performed by the firm of Carneghi, Blum for guidance in developing suitable criteria.

Limiting Factors – Certain limiting factors identified by the appraisers as impairments on the value of rental properties have been rectified by the Leasing Policy approved by the Authority Board. The length and the complexity of the subleasing process have been significantly reduced by delegating to the Director of Island Operations the ability to sign subleases subject to subleasing parameters pre-approved by the Board. Additionally, the Director now has the ability to provide subtenants incentives in the form of rental credits to offset certain costs associated with making improvements to the premises. However, a significant limiting factor remains. The one year term, subject to termination by the Navy on 30 days notice continues to limit the ability of prospective subtenants to invest in a tenancy that will be available on an interim basis.

Highest and Best Use – While the appraisers identified the highest and best use of all properties on Treasure Island to be redevelopment, the interim use of properties was considered for the purpose of generating revenue for the Authority. The Treasure Island School facility was designed as a school. However, the SFUSD closed the building because the Island population lacks sufficient number of school age children to support a school. SFUSD attempted to sublease the facilities to charter and private schools. School District staff reports that their efforts were not successful due to the interim nature of tenancies on Treasure Island.

As an office/public assembly use location, the appraisers considered Treasure Island to be inferior to Oakland and San Francisco, but superior to Mare Island. Comparable Full Service rental rates were: (1) $1.60 psf per month for a term of 51 months for Enercon Services at 401 Roland Way in Oakland with a Paint & Carpet Allowance and no Tenant Improvement Allowance for a net effective rent of $1.09 psf; (2) $1.50 psf per month for a term of 48 months for O2 Marketing and Design at 401 Roland Way with a Tenant Improvement Allowance of $8.00 and three months of free rent for a net effective rent of $1.02 psf; and, (3) a recently renovated building leased by Lennar Urban at Mare Island at a NNN rate of $1.25 psf per month for a three year term, but provided the tenant an allowance of $15 psf for a net effective rent of $0.63 psf.

Based on this information, the appraisers concluded that a fair market rent for office use of the Administration Building should be $0.75 to $1.00 psf per month on a Full Service Basis, net of Possessory Interest Taxes, with a net effective rent of $0.25 to $0.50 psf. The appraisers concluded that Building 229, which is classified as an assembly use and is

subleased to the Life Learning Academy as a charter school, has a fair market rent of $0.50 psf per month NNN.

The appraised fair market rent for comparable properties on Treasure Island indicates a NNN rental range of $0.25 to $0.50 psf.

As the building is not suitable as a stand-alone facility in the Treasure Island market, it will be marketed as a multi-tenant building, indicating that the building should be leased on a Full-Service basis.

Project Staff estimates expenses for the school building to be $0.50 psf per month, indicating a Full service rental rate of $1.00 psf per month for office/assembly.

Conclusion

Based on guidance provided by the Carneghi, Blum Appraisal, Project Staff's analysis of the Treasure Island School facilities indicates that the highest and best use for the facility is as office/assembly at a rental rate of $0.80 to $1.00 per month Full Service, net of Possessory Interest Taxes for office.

RECOMMENDATION

Project Staff recommends an amendment to the Leasing Policy to add the Treasure Island School to the inventory of facilities available for sublease and establish minimum rent for the facilities for office/assembly use at $1.00 psf Full Service per month.

EXHIBITS

A. Amendment to Treasure Island Development Authority Interim Subleasing Policy

Prepared by Marc McDonald, Facilities Manager
For Mirian Saez, Director of Island Operations

[Amending the Interim Policy for Subleasing Real Property]

RESOLUTION TO AMEND THE INTERIM SUBLEASING POLICY FOR TREASURE ISLAND DEVELOPMENT AUTHORITY

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under the California Redevelopment Law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, On March 11, 1998, pursuant to Resolution No. 98-10-3/11, the Board of Directors of the Treasure Island Development Authority (the "Board") adopted The "Treasure Island Development Authority Rules and Procedures for Transfer and Use of Real Property" (the "Rules and Procedures"), such Rules and Procedures establishing the specific rules and procedures for the transfer of all or any portion of the real property located on the closed Naval Base Treasure Island; and,

WHEREAS, at the regular meeting of July 11, 2007, the Board amended The Rules and Procedures to by adoption of an Interim Subleasing Policy which standardized the subleasing process through the use of a pre-approved body of subleasing parameters including a boilerplate sublease, business terms and minimum rental rates to guide Project Staff in sublease negotiations while assuring compliance with Board policy, and

WHEREAS, the Authority has leased from the Navy an additional property suitable for sublease, such property being the Treasure Island School that will be subject to the same subleasing parameters to guide Project staff in sublease negotiations, such terms of negotiation to include a minimum rental rate for office/assembly of the premises; Now, Therefore, Be It

RESOLVED, That the Board of Directors of the Treasure Island Development Authority approves and adopts an amendment to the Interim Subleasing Policy such terms of negotiation to include a minimum rental rate of $1.00 psf per month Full Service, net of possessory interest taxes for office and assembly use of the Treasure Island School, all in substantially the form attached as Exhibit A.

# # # #

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at the properly noticed meeting on September 12, 2007.

_____

Owen Stephens, Secretary

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Exhibit A
Minimum Rental Rate Schedule

Building No.	Name	Highest and Best Use	Minimum Rental Rate psf
402	Gymnasium	Athletic	$0.00
502	Kidango	Childcare	$0.65
Field F	Intersection of 9th and 11th	Field	$0.15
Field I	Intersection of M and 11th	Field	$0.05
Great Lawn	Avenue of the Palms	Field	$0.05
Field H	Intersection of I and 11th	Field	$0.05
Field E	Intersection of H and 11th	Field	$0.05
Rugby	Intersection of H and California	Field	$0.05
California	Intersection of 3rd and H	Field	$0.05
180	Building 180	Industrial	$0.65
62	Building 62	Industrial - Occupied Portion	$0.41
671	Carpentry Shop	Industrial	$0.35
180	Building 180	Industrial	$0.25
670	Brig	Industrial	$0.25
216	RV Storage	Industrial	$0.20
201	Navy Exchange	Industrial	$0.20
69	Shed	Industrial	$0.20
2	Hangar 2	Industrial	$0.15
3	Hangar 3	Industrial	$0.10
34	Commissary	Industrial	$0.10
292	Warehouse	Industrial	$0.10
62	Building 62	Industrial - Unoccupied Portion	$0.10
330	Gas Station	Industrial	$0.05
258	Post Office	Industrial	$0.05
1	Administrative Building	Office	$0.75
298	Yacht Club	Office - Commercial Assembly	$0.50
265	Library	Office - Commercial Assembly	$0.50
497	Ship Shape	Office - Commercial Assembly	$0.50
229	Club House (Life Learning)	Office - Commercial Assembly	$0.50
140	Nimitz Conference Center	Office - Commercial Assembly	$0.25
227	Fog Watch	Office - Commercial Assembly	$0.25
146	Gatehouse	Retail	$1.25
Causeway	Photo Shack	Retail	$1.25+
183	Café	Retail	$1.25
34	Commissary	Rugby Club	$0.25
32	Treasure Island School	Office - Commercial Assembly	$1.00

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Agenda Item No. 12 **September 12, 2007**

Subject: Authorizing the Director of Island Operations to Execute a Second Amendment to the Loan Agreement with the Government of Mexico and the Fine Arts Museums of San Francisco for the Temporary Loan to Mexico of the Miguel Covarrubias Murals "Pageant of the Pacific" to Amend the Schedule of Display (*Action Item*)

Staff Contact/Phone: Mirian Saez, Director of Island Operations
(415) 274-0660

SUMMARY OF PROPOSED ACTION
This item seeks the approval of the Authority's Board of Directors to execute and enter into a Second Amendment to the Loan Agreement with the Government of Mexico and the Fine Arts Museums for the restoration and exhibition of the Miguel Covarrubias murals "Pageant of the Pacific".

BACKGROUND
In March of 2001, the Treasure Island Development Authority (the "Authority" or "TIDA") accepted five murals by renowned Mexican national muralist Miguel Covarrubias as a gift from the Port of San Francisco (Authority Resolution 01-50-3/29). Prior to being transferred to the Authority, the murals hung at the World Trade Club inside the Ferry Building in San Francisco. The major renovation of the Ferry Building in 2001 did not envision an appropriate location for continued display of the murals once the building was re-opened. At that time, the Authority and the Port entered into an agreement whereby the Authority received the murals from the Port with the purpose of facilitating the eventual long-term public display of the murals on Treasure Island. The five murals are comprised of 44 individual panels and collectively named "The Pageant of the Pacific". Covarrubias painted the murals by commission for display in the Pacific House at the 1939-1940 Golden Gate International Exposition held on Treasure Island. Upon transfer from the Port in 2001, the murals were properly packaged and put in storage within a climate controlled building on Treasure Island.

In August of 2004, the Authority was approached by the Mexican Consulate in San Francisco with a proposal which would allow Mexico to borrow the murals for public display in Mexico. In exchange, the Mexican Ministry of Culture would perform the professional restoration and conservation work needed on the murals prior to long term public display on Treasure Island as well as paying all costs associated with the display, insuring, shipping and handling and security of the murals while in Mexico. Mexico and the City of San Francisco have a well-developed history of cultural exchange, especially

in the realm of fine art and artifacts. Though Covarrubias is one of Mexico's best known muralists, the "Pageant of the Pacific" had never been displayed in Mexico.

At the same time these discussions were beginning, the Fine Arts Museum of San Francisco was approached separately by Mr. Phillip Hudner, a trustee of the Charles D. and Frances K. Field Fund who expressed the Fund's interest in making a grant, through the Fine Arts Museum, towards the restoration of the Covarrubias murals. Mr. Hudner was an attendee of the 1939-1940 Golden Gate International Exposition and is a lifelong fan of Covarrubias and his work.

At the beginning of this process in August of 2004, the murals, though property of the Authority, were still under the jurisdiction of the San Francisco Arts Commission. Discussions between Arts Commission staff, Authority staff, and the Office of the City Attorney concluded that the murals should become the sole property of the Authority. At the January 19, 2005 meeting of the Visual Arts Committee and the February 7, 2005 meeting of the full Commission, the Commission voted unanimously to deaccession the murals from the Civic Arts Collection and also voted unanimously to endorse the proposed exhibition and restoration agreement (Arts Commission Resolution 0207-05-016).

Following negotiations between the three parties, the Authority Board approved a Loan Agreement between the Government of Mexico, Fine Arts Museums of San Francisco, and the Authority for the loan, restoration and display of the murals at its May 11, 2005 meeting. The loan agreement reflected a collaborative effort between the Authority, the Government of Mexico and the Fine Arts Museum of San Francisco. Partial costs of restoration and conservation were reimbursed to Mexico by the Fine Arts Museums using the grant money provided by the Field Fund. Mexico paid partial costs of restoration and conservation, and is paying for all costs associated with installation and display of the murals, security, insurance and shipping and handling of the murals within Mexico. The Fine Arts Museum is paying for shipping of the murals from the Authority to Mexico and back to the Authority through the Field Fund grant money.

The Government of Mexico, acting through its Fine Arts Ministry (CONACULTA) and its National Center for Conservation of the National Patrimony (CNRCPN), performed necessary restoration and conservation work on the mural panels based on the recommendations set forth in the Anne Rosenthal report "Examination Report and Conservation Recommendations" commissioned in 2000 by the San Francisco Arts Commission as well as a follow-up treatment proposal created by Mr. Walther Boelstery, then-Director of CNRCPN in cooperation with Carl Grimm, PhD, Head Paintings Conservator for the Fine Arts Museum of San Francisco. The restoration work took approximately four months to complete with a team of restorationists working on the murals. At the end of this process, the final work product was inspected and approved by Carl Grimm as conforming to both the Rosenthal report as well as the CNRCPN-FAMSF treatment proposal.

After the restoration and conservation was completed and approved, the murals were installed for public display at the Antiguo Colegio de San Ildefonso in Mexico City's Historic District. The exhibit ran from June 21 through late October,2006 and was extremely well received.

Due to internal deliberations, CONACULTA chose to make Puebla, not Guadalajara as originally intended, the second city for the murals exhibit. As a result, at it's February 14, 2007 meeting, the Authority Board approved the First Amendment to the Agreement reflecting this change in the second venue location as well as to reflect changes in the overall schedule. The Museo Amparo's exhibit of the murals ran from February 22nd, 2007 through late May of 2007. The Museo Amparo reported a large amount of interest in the exhibition during its display period.

Following the display at the Museo Amparo, the Government of Mexico requested that instead of the murals being exhibited in Monterrey as originally planned, they instead be displayed at the Museo Nacional de Anthropologia (MNA) in Mexico City. The exhibition at MNA opened on July 26, 2007 and is scheduled to run through September 9, 2007. This exhibit will conclude the three exhibits contemplated in the terms of the original Loan Agremeent.

Second Amendment to Loan Agreement: There is one necessary revision to the Loan Agreement reflected in the Second Amendment before the Authority Board. The Second Amendment seeks to update the display schedule to reflect that the third exhibit of the murals took place in Mexico City at the MNA instead of in Monterrey. Per the terms of the original Agreement, FAMSF has received a venue report for the MNA, reviewed this report, and found the MNA to be suitable for display of the murals. Carl Grimm of FAMSF staff supervised and approved the installation of the murals at the MNA, and both TIDA and FAMSF staff were present at the opening of the exhibition.

No other terms of the Agreement will change with this amendment, and all fiduciary responsibilities set-forth in the original Loan Agreement remain in place. There has been no Authority expenditures associated with this project to-date, and no new Authority expenditures are necessary as a result of this amendment.

RECOMMENDATION

Staff recommends approval of the Second Amendment to the Loan Agreement.

EXHIBITS

A Second Amendment to Loan Agreement between the Authority, the Government of Mexico and the Fine Arts Museums of San Francisco

B Photos of "Pageant of the Pacific" murals on display at the Museo Amparo in Puebla, PE.

Prepared by Peter Summerville
for Mirian Saez, Director of Island Operations

FILE NO. _____ RESOLUTION NO.

[Second Amendment of the Loan of the Miguel Covarrubias Murals to the Government of Mexico]

Authorizing the Director of Island Operations to Execute a Second Amendment to the Loan Agreement with the Government of Mexico and the Fine Arts Museums of San Francisco for the Temporary Loan to Mexico of the Miguel Covarrubias Murals "Pageant of the Pacific" to Amend the Schedule of Display.

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the Act"), the California Legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over former Naval Station Treasure Island (the "Base"), and (ii) with respect to those portions of the Base which are subject to the public trust for commerce, navigation and fisheries (the "Tidelands Trust"), vested in the Authority the authority to administer the Tidelands Trust as to such property; and,

WHEREAS, The Tidelands Trust prohibits the sale of Tidelands Trust property into private ownership, generally requires that Tidelands Trust property be accessible to the public and encourages public oriented uses of trust property that among other things, attract people to the waterfront, promote public recreation, protect habitat and preserve open space; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and,

WHEREAS, On March 29, 2001, the Authority approved a resolution accepting as a gift from the Port of San Francisco five Miguel Covarrubias murals collectively titled "Pageant of the Pacific" (the "Murals"); and,

WHEREAS, At its May 11, 2005 meeting, the Authority approved a Loan Agreement ("Agreement") with the Government of Mexico and the Fine Arts Museums of San Francisco for the temporary loan to Mexico of the Miguel Covarrubias Murals "Pageant of the Pacific"; and,

WHEREAS, In accordance with the terms of the Agreement, the Government of Mexico has completed the conservation and restoration of the Murals in accordance with a restoration treatment plan created in consultation with the Fine Arts Museums of San Francisco and in a manner approved by the Fine Arts Museums of San Francisco; and,

WHEREAS, Under the terms of the Agreement, an exhibition schedule for the restored and conserved murals display throughout Mexico was established; and,

WHEREAS, The initial public display took place in Mexico City from June through October of 2006 as the first stop of the anticipated three city tour of the murals; and,

WHEREAS, At its February 14, 2007 meeting, the Authority Board approved an Amendment to the Loan Agreement to extend of the term of the display period in Mexico and to amend the overall schedule to reflect the actual dates of restoration and display to-

date, and to allow for an amendment of the second venue to allow for a change in the second exhibit location to the city of Puebla, PE; and,

WHEREAS, The second public display took place in Puebla from February through May of 2007 as the second stop of the anticipated three city tour of the murals; and,

WHEREAS, Mexico requested that the third public display of the murals take place in Mexico City instead of Monterrey as originally contemplated in the Loan Agreement; and,

WHEREAS, Mexico performed outstanding restoration and conservation work on these murals, and the Fine Arts Museum of San Francisco has provided invaluable technical expertise and consultation throughout the process; and,

WHEREAS, Mexico remains committed to covering all costs related to the transportation, insurance, handling and display of the Murals within Mexico; and,

WHEREAS, The Government of Mexico remains committed to display of the Murals publicly in two additional locations throughout the country of Mexico in order to provide to the citizens of Mexico the ability to publicly view and enjoy the Murals; and,

WHEREAS, The Fine Arts Museum of San Francisco remains committed to receiving and administering grant money earmarked for transporting the Murals to and from Mexico and for funding the restoration and conservation of the Murals in Mexico performed by the Government of Mexico in collaboration with the Fine Arts Museum of San Francisco; now therefore be it

RESOLVED, That the Authority hereby authorizes the Director of Island Operations to execute a Second Amendment to the Loan Agreement in substantially the form attached

hereto as Exhibit A with the Government of Mexico and the Fine Arts Museums of San Francisco for Temporary Loan to Mexico of the Miguel Covarrubias Murals "Pageant of the Pacific" to amend the schedule of display.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on September 12, 2007.

_____
Owen Stephens, Secretary

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SECOND AMENDMENT TO AGREEMENT

THIS SECOND AMENDMENT TO AGREEMENT ("Amendment") is made as of July __, 2007, by and among the TREASURE ISLAND DEVELOPMENT AUTHORITY (the "Authority" or "TIDA"), the FINE ARTS MUSEUMS OF SAN FRANCISCO ("FAMSF"), and the INSTITUTO NACIONAL DE BELLAS ARTES Y LITERTURA ("INBA" or "Mexico").

RECITALS

A. The Authority, FAMSF and Mexico are parties to the Agreement dated September 1, 2005 (the "Original Agreement"), under which Mexico agreed to conserve and restore the Covarrubias Murals and the Authority agreed to loan the Murals to Mexico for public presentation after Mexico's completion of the conservation and restoration treatment.

B. Under the Original Agreement, the Murals were to be displayed in Mexico from December 1, 2005 through August 26, 2006 in accordance with the Exhibition Schedule set forth in Section II.C of the Original Agreement.

C. Due to certain unanticipated delays in connection with the shipping and restoration of the Murals, the parties extended the term of the Original Agreement and revised the Exhibition Schedule on the terms and conditions set forth in the First Amendment to Agreement dated February 14, 2007 (the "First Amendment"). The Original Agreement and the First Amendment are collectively referred to in this Amendment as the "Agreement." Capitalized terms that are used in this Amendment and not defined herein shall have the meanings set forth in the Agreement.

D. Due to the extended length of display at the second venue as well as a change in the third exhibit venue location, the parties wish to again revise the Exhibition Schedule on the terms and conditions set forth in this Amendment.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in this Amendment, the parties agree as follows:

AGREEMENT

1. Amendments to Agreement

(a) Section II.B - Schedule. Section II.B of the Agreement is deleted in its entirety and replaced with the following:

"II.B. SCHEDULE

Upon completion of the conservation and restoration of the Murals in accordance with the Conservation Plan, the Murals will be presented according to the following schedule (or other schedule as may be approved in writing by both Parties to this Agreement and by the San Francisco City Risk Manager) (the "Exhibition Schedule"):

Restoration:

October 31, 2005 – July 11, 2006
Centro Nacional de Conservación y Registro
del Patrimonio Artístico Mueble
San Ildefonso # 50
Centro Histórico
C.P. 06020, México, D.F.

Display:

July 12, 2006 – July 15, 2006
Transportation and placement of the mural at the Antiguo Colegio de San Ildefonso in Mexico City

July 21, 2006 – October 16, 2006
Venue: Antiguo Colegio de San Ildefonso (ASCI)
Justo Sierra # 16, Centro Histórico
C.P. 06020, México, D.F.

October 16, 2006 – January 28, 2007
Deinstallation of murals from venue in Mexico City and storage at CNCRPAM

January 29, 2007 – February 3, 2007
Transportation and placement of the murals at the Museo Amparo in Puebla, Pue.

February 21, 2007 – June 17th, 2007
Venue: Museo Amparo
2 Sur 708, Centro Historico
Puebla, Pue.
72000, México

June 18, 2007 – July 1, 2007
Deinstallation of murals from venue in Puebla and storage at the Museo Amparo in Puebla, PE

July 2, 2007 – July 5, 2007
Transportation and placement of the murals at the National Anthropology Museum in Mexico City

July 8, 2007 – September 13, 2007
Venue: Museo Nacional de Antropología e Historia
Av. Paseo de la Reforma y Gandhi s/n,
Col Chapultepec-Polanco, CP 11560
México DF

December 31, 2007
Return of the murals to Treasure Island Development Authority.

The Murals shall travel to the conservation and exhibition venues in Mexico for the approximate dates of October 30, 2005 through December 31, 2007, with any further extension subject to separate approval by the TIDA Board of Directors. Unless otherwise agreed upon in writing by the parties, Mexico shall send a final list of confirmed exhibition venues, exhibition dates and corresponding facility reports on or before July 1, 2007. Mexico shall not move the Murals to any other exhibition venue without the Authority and FAMSF's prior written consent and approval by the San Francisco City Risk Manager. Mexico will be responsible for all costs associated with the installation, deinstallation, packing, couriers, shipping, transport and security at and between each venue in Mexico. Upon completion of the exhibition dates, FAMSF will be responsible for the security, crating, roundtrip shipping and transport of the Murals from Mexico City to San Francisco. FAMSF shall be responsible for TIDA/FAMSF couriers, security, transport, and shipping of the Murals to the Authority. Any change of dates or location for the exhibition of the Murals shall be agreed upon in writing by all parties, and the San Francisco City Risk Manager."

2. Miscellaneous.

(a) No Other Amendments. Except as amended by this Amendment, the Agreement and the Note shall remain unmodified and in full force and effect.

(b) Counterparts. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument.

(c) Further Instruments. The parties hereto agree to execute such further instruments and to take such further actions as may be reasonably required to carry out the intent of this Amendment.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

INSTITUTO NACIONAL DE BELLAS ARTES Y LITERATURA (INBA).

By: _____

General Sub Director of Administration and Legal Representative

By: _____

Authorizes

Authorizes

By: _____

Director of the National Center for Conservation and Registration of the National Patrimony Proposes

By: _____

Director of Legal Matters
Elaborates and reviews

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____

Mirian Saez, Director of Island Operations

FINE ARTS MUSEUMS OF SAN FRANCISCO (Fiscal Sponsor and Grantee of General Sub Director of Fine Arts Field Fund)

By: _____

John E. Buchanan, Jr.,
Director of Museums

Approved as to Form:

DENNIS J. HERRERA
City Attorney

By: _____

Deputy City Attorney

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AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Agenda Item No. 13 **September 12, 2007**

Subject: Authorizing the Director of Island Operations to Execute an Assignment and Assumption and Third Amendment to the Loan Agreement with the Government of Mexico and the Fine Arts Museums of San Francisco for the Temporary Loan to Mexico of the Miguel Covarrubias Murals "Pageant of the Pacific" to Amend the Schedule of Display and Extend the Term (*Action Item*)
Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0660

BACKGROUND
In March of 2001, the Treasure Island Development Authority (the "Authority" or "TIDA") accepted five murals by renowned Mexican national muralist Miguel Covarrubias as a gift from the Port of San Francisco (Authority Resolution 01-50-3/29). Prior to being transferred to the Authority, the murals hung at the World Trade Club inside the Ferry Building in San Francisco. The major renovation of the Ferry Building in 2001 did not envision an appropriate location for continued display of the murals once the building was re-opened. At that time, the Authority and the Port entered into an agreement whereby the Authority received the murals from the Port with the purpose of facilitating the eventual long-term public display of the murals on Treasure Island. The five murals are comprised of 44 individual panels and collectively named "The Pageant of the Pacific". Covarrubias painted the murals by commission for display in the Pacific House at the 1939-1940 Golden Gate International Exposition held on Treasure Island. Upon transfer from the Port in 2001, the murals were properly packaged and put in storage within a climate controlled building on Treasure Island.

In August of 2004, the Authority was approached by the Mexican Consulate in San Francisco with a proposal which would allow Mexico to borrow the murals for public display in Mexico. In exchange, the Mexican Ministry of Culture would perform the professional restoration and conservation work needed on the murals prior to long term public display on Treasure Island as well as paying all costs associated with the display, insuring, shipping and handling and security of the murals while in Mexico. Mexico and the City of San Francisco have a well-developed history of cultural exchange, especially in the realm of fine art and artifacts. Though Covarrubias is one of Mexico's best known muralists, the "Pageant of the Pacific" had never been displayed in Mexico.

At the same time these discussions were beginning, the Fine Arts Museum of San Francisco was approached separately by Mr. Phillip Hudner, a trustee of the Charles D. and Frances K. Field Fund who expressed the Fund's interest in making a grant, through the Fine Arts Museum,

towards the restoration of the Covarrubias murals. Mr. Hudner was an attendee of the 1939-1940 Golden Gate International Exposition and is a lifelong fan of Covarrubias and his work.

At the beginning of this process in August of 2004, the murals, though property of the Authority, were still under the jurisdiction of the San Francisco Arts Commission. Discussions between Arts Commission staff, Authority staff, and the Office of the City Attorney concluded that the murals should become the sole property of the Authority. At the January 19, 2005 meeting of the Visual Arts Committee and the February 7, 2005 meeting of the full Commission, the Commission voted unanimously to deaccession the murals from the Civic Arts Collection and also voted unanimously to endorse the proposed exhibition and restoration agreement (Arts Commission Resolution 0207-05-016).

Following negotiations between the three parties, the Authority Board approved a Loan Agreement between the Government of Mexico, Fine Arts Museums of San Francisco, and the Authority for the loan, restoration and display of the murals at its May 11, 2005 meeting. The loan agreement reflected a collaborative effort between the Authority, the Government of Mexico and the Fine Arts Museum of San Francisco. Partial costs of restoration and conservation were reimbursed to Mexico by the Fine Arts Museums using the grant money provided by the Field Fund. Mexico paid partial costs of restoration and conservation, and is paying for all costs associated with installation and display of the murals, security, insurance and shipping and handling of the murals within Mexico. The Fine Arts Museum is paying for shipping of the murals from the Authority to Mexico and back to the Authority through the Field Fund grant money.

The Government of Mexico, acting through its Fine Arts Ministry (CONACULTA) and its National Center for Conservation of the National Patrimony (CNRCPN), performed necessary restoration and conservation work on the mural panels based on the recommendations set forth in the Anne Rosenthal report "Examination Report and Conservation Recommendations" commissioned in 2000 by the San Francisco Arts Commission as well as a follow-up treatment proposal created by Mr. Walther Boelstery, then-Director of CNRCPN in cooperation with Carl Grimm, PhD, Head Paintings Conservator for the Fine Arts Museum of San Francisco. The restoration work took approximately four months to complete with a team of restorationists working on the murals. At the end of this process, the final work product was inspected and approved by Carl Grimm as conforming to both the Rosenthal report as well as the CNRCPN-FAMSF treatment proposal.

After the restoration and conservation was completed and approved, the murals were installed for public display at the Antiguo Colegio de San Ildefonso in Mexico City's Historic District. The exhibit ran from June 21 through late October,2006 and was extremely well received.

Due to internal deliberations, CONACULTA chose to make Puebla, not Guadalajara as originally intended, the second city for the murals exhibit. As a result, at it's February 14, 2007 meeting, the Authority Board approved the First Amendment to the Agreement reflecting this change in the second venue location as well as to reflect changes in the overall schedule. The Museo Amparo's exhibit of the murals ran from February 22nd, 2007 through late May of 2007. The Museo Amparo reported a large amount of interest in the exhibition during its display period.

Following the display at the Museo Amparo, the Government of Mexico requested that instead of the murals being exhibited in Monterrey as originally planned, they instead be displayed at the Museo Nacional de Anthropologia (MNA) in Mexico City. The exhibition at MNA opened on July 26, 2007 and is scheduled to run through September 9, 2007. This exhibit will conclude the three exhibits contemplated in the terms of the original Loan Agremeent. A Second Amendment to the Loan Agreement amending the schedule of display to reflect this additional change in venue is also before the TIDA Board at this meeting.

Third Amendment to Loan Agreement : TIDA has received a request from the Government of Mexico to extend the Loan Agreement to now allow for a fourth exhibit of the murals. Mexico wishes to display the murals in Monterrey, N.L. during the United Nation's UNESCO FORUM 2007. FORUM 2007 is UNESCO's bi-annual gathering of art and culture representatives from United Nation member countries. Mexico proposes the murals be displayed in Monterrey from September 14, 2007 through January 30, 2007. Thereafter, it is expected that the murals tour in Mexico will be complete and the murals will return to San Francisco.

Due to the nature of the FORUM 2007 event, Mexico has requested that the rights, responsibilites and obligations of Mexico under the terms of the Loan Agreement be transferred from the Instituto Nacional de Bellas Artes (INBA) to the Instituto Nacional de Anthropologia y Historia (INAH). Both INAH and INBA are divisions of CONACULTA, and INAH posseses the same classification as a agency of the Government of Mexico as INBA. As INAH is the arm of CONACULTA dedicated to the historic and anthropological endeavors of CONACULTA, Mexico that it is appropriate for INAH to be the lead agency on the exhibit of the murals at FORUM 2007 as opposed to INBA. This request has been previously reviewed and approved by FAMSF staff and the City's Risk Manager.

The Third Amendment to the Loan Agreement now before the Board amends the Loan Agreement in two ways. First, it assigns, transfers and conveys to INHA all of INBA's and Mexico's right and obligations under the Agreement. Secondly, it amends the schedule of display and extends the term of the agreement to incorporate the display of the murals at FORUM 2007.

No other terms of the Agreement will change with this amendment, and all fiduciary responsibilities set-forth in the original Loan Agreement remain in place. There has been no Authority expenditures associated with this project to-date, and no new Authority expenditures are necessary as a result of this amendment.

RECOMMENDATION

Staff recommends approval of the Assignment and Assumption and Third Amendment to the Loan Agreement.

EXHIBITS

A Assignment and Assumption and Third Amendment to Loan Agreement between the Authority, the Government of Mexico and the Fine Arts Museums of San Francisco

B. Correspondence between TIDA and Instituto Nacional de Bellas Artes

Prepared by Peter Summerville
For Mirian Saez, Director of Island Operations

FILE NO. _____ RESOLUTION NO.

[Third Amendment of the Loan of the Miguel Covarrubias Murals to the Government of Mexico]

Authorizing the Director of Island Operations to Execute an Assignment and Assumption and Third Amendment to the Loan Agreement with the Government of Mexico and the Fine Arts Museums of San Francisco for the Temporary Loan to Mexico of the Miguel Covarrubias Murals "Pageant of the Pacific" to Assign the Agreement, Amend the Schedule of Display and Extend the Term.

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the Act"), the California Legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over former Naval Station Treasure Island (the "Base"), and (ii) with respect to those portions of the Base which are subject to the public trust for commerce, navigation and fisheries (the "Tidelands Trust"), vested in the Authority the authority to administer the Tidelands Trust as to such property; and,

WHEREAS, The Tidelands Trust prohibits the sale of Tidelands Trust property into private ownership, generally requires that Tidelands Trust property be accessible to the public and encourages public oriented uses of trust property that among other things, attract people to the waterfront, promote public recreation, protect habitat and preserve open space; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and,

WHEREAS, On March 29, 2001, the Authority approved a resolution accepting as a gift from the Port of San Francisco five Miguel Covarrubias murals collectively titled "Pageant of the Pacific" (the "Murals"); and,

WHEREAS, At its May 11, 2005 meeting, the Authority approved a Loan Agreement ("Agreement") with the Government of Mexico and the Fine Arts Museums of San Francisco for the temporary loan to Mexico of the Miguel Covarrubias Murals "Pageant of the Pacific"; and,

WHEREAS, In accordance with the terms of the Agreement, the Government of Mexico has completed the conservation and restoration of the Murals in accordance with a restoration treatment plan created in consultation with the Fine Arts Museums of San Francisco and in a manner approved by the Fine Arts Museums of San Francisco; and,

WHEREAS, Under the terms of the Agreement, an exhibition schedule for the restored and conserved murals display throughout Mexico was established; and,

WHEREAS, The initial public display took place in Mexico City from June through October of 2006 as the first stop of the anticipated three city tour of the murals; and,

WHEREAS, At its February 14, 2007 meeting, the Authority Board approved an Amendment to the Loan Agreement to extend of the term of the display period in Mexico and to amend the overall schedule to reflect the actual dates of restoration and display to-

date, and to allow for an amendment of the second venue to allow for a change in the second exhibit location to the city of Puebla, PE; and,

WHEREAS, The second public display took place in Puebla from February through May of 2007 as the second stop of the anticipated three city tour of the murals; and,

WHEREAS, Mexico requested that the third public display of the murals take place in Mexico City instead of Monterrey as originally contemplated in the Loan Agreement; and,

WHEREAS, At its September 12, 2007 meeting, the Authority Board approved a Second Amendment to Loan Agreement to allow for a change in the third exhibit location to Mexico City; and,

WHEREAS, Mexico has additionally requested that after the third public display is completed, a fourth public display be allowed in Monterrey, N.L.; and,

WHEREAS, Mexico has also requested that in order to facilitate the display of the murals in Monterrey, all of Mexico's rights, responsibilities and obligations under this Loan Agreement be transferred from the Instituto Nacional de Bellas Artes ("INBA"), an agency of the Government of Mexico, to the Instituto Nacional de Anthropologia y Historia ("INHA"), another agency of the Government of Mexico; and,

WHEREAS, Mexico performed outstanding restoration and conservation work on these murals, and the Fine Arts Museum of San Francisco has provided invaluable technical expertise and consultation throughout the process; and,

WHEREAS, Mexico remains committed to covering all costs related to the transportation, insurance, handling and display of the Murals within Mexico; and,

WHEREAS, The Government of Mexico remains committed to display of the Murals in Mexico in order to provide to the citizens of Mexico the ability to publicly view and enjoy the Murals; and,

WHEREAS, The Fine Arts Museum of San Francisco remains committed to receiving and administering grant money earmarked for transporting the Murals to and from Mexico and for funding the restoration and conservation of the Murals in Mexico performed by the Government of Mexico in collaboration with the Fine Arts Museum of San Francisco; now therefore be it

RESOLVED, That the Authority hereby authorizes the Director of Island Operations to execute an Assignment and Assumption and Third Amendment to the Loan Agreement in substantially the form attached hereto as Exhibit A with the Government of Mexico and the Fine Arts Museums of San Francisco for Temporary Loan to Mexico of the Miguel Covarrubias Murals "Pageant of the Pacific" to (i) assign Mexico's responsibilities, rights and obligations from INBA to INHA, (ii) amend the schedule of display and (iii) extend the term of the Agreement.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on September 12, 2007.

_____

Owen Stephens, Secretary

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ASSIGNMENT AND ASSUMPTION AND
THIRD AMENDMENT TO AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AND THIRD AMENDMENT TO AGREEMENT ("Assignment and Amendment") is made as of September 12, 2007, by and among the TREASURE ISLAND DEVELOPMENT AUTHORITY (the "Authority" or "TIDA"), the FINE ARTS MUSEUMS OF SAN FRANCISCO ("FAMSF"), the INSTITUTO NACIONAL DE BELLAS ARTES Y LITERTURA ("INBA" or "Mexico"), and the INSTITUTO NACIONAL DE LA ANTROPOLOGIA E HISTORIA ("INAH").

RECITALS

A. The Authority, FAMSF and INBA are parties to the Agreement dated September 1, 2005 (the "Original Agreement"), under which INBA agreed to conserve and restore the Covarrubias Murals and the Authority agreed to loan the Murals to INBA for public presentation after INBA's completion of the conservation and restoration treatment.

B. Under the Original Agreement, the Murals were to be displayed in Mexico from December 1, 2005 through August 26, 2006 in accordance with the Exhibition Schedule set forth in Section II.C of the Original Agreement.

C. Due to certain unanticipated delays in connection with the shipping and restoration of the Murals, the parties extended the term of the Original Agreement and revised the Exhibition Schedule on the terms and conditions set forth in the First Amendment to Agreement dated February 14, 2007 (the "First Amendment").

D. Due to the extended length of display at the second venue as well as a change in the third exhibit venue location, the parties revised the Exhibition Schedule on the terms and conditions set forth in the Second Amendment to Agreement dated as of July 1, 2007 (the "Second Amendment"). The Original Agreement, the First Amendment and the Second Amendment are collectively referred to in this Assignment and Amendment as the "Agreement." Capitalized terms that are used in this Assignment and Amendment and not defined herein shall have the meanings set forth in the Agreement.

E. The parties wish to again extend the term of the Agreement and revise the Exhibition Schedule to include an exhibition of the Murals at UNESCO FORUM 2007 in Monterrey, Mexico from September 14, 2007 through January 30, 2008. In addition, effective September 12, 2007, INBA desires to assign to INAH all of INBA's and Mexico's rights and obligations under the Agreement, as amended by this Assignment and Amendment, and INAH desires to assume all of such rights and obligations as of such date.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in this Assignment and Amendment and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Assignment and Assumption.

INBA hereby assigns, transfers and conveys to INHA, and INHA hereby assumes, all of INBA's and Mexico's right and obligations under the Agreement, as amended by this Assignment and Amendment. INHA accepts this assignment and assumes and agrees to keep, perform and fulfill, as a direct obligation to TIDA and FAMSF and for the benefit of INBA, all of the terms, covenants, conditions and obligations required to be kept, performed and fulfilled by INBA or Mexico under the Agreement, as amended by this Assignment and Amendment, from and after September 12, 2007 (the "Effective Date"). Notwithstanding the foregoing, INBA shall not be relieved of any liabilities or obligations to be performed by INBA or Mexico under the Agreement, as amended by this Assignment and Amendment.

The address and contact information for INHA are as follows:

Instituto Nacional de Anthropologia y Historia
Orizaba #215 esq. Coahuila.
Col. Roma. Del. Cuauhtémoc. CP. 06700.
Mexico City, Mexico

2. Consent.

By executing this Assignment and Amendment in the space provided below, TIDA and FAMSF hereby consent to the assignment of the Agreement, as amended by this Assignment and Amendment, from INBA to INHA.

3. Indemnity.

INHA shall indemnify, defend and hold INBA, its agents, directors, officers and employees harmless from and against any and all losses, claims, judgments, demands, costs, expenses (including, without limitation, attorneys' fees), damages or liabilities related to the performance of its obligations under the Agreement, as amended by this Assignment and Amendment, from and after the Effective Date, and any defaults or claimed defaults accruing under the Agreement, as amended by this Assignment and Amendment, with respect to any facts or circumstances occurring from and after the Effective Date. The provisions of this paragraph shall survive the expiration or termination of the Agreement, as amended by this Assignment and Amendment.

4. Amendments to Agreement

(a) Section II.B - Schedule. Section II.B of the Agreement is deleted in its entirety and replaced with the following:

"II.B. SCHEDULE

Upon completion of the conservation and restoration of the Murals in accordance with the Conservation Plan, the Murals will be presented according to the following schedule (or other schedule as may be approved in writing by both Parties to this Agreement and by the San Francisco City Risk Manager) (the "Exhibition Schedule"):

Restoration:

October 31, 2005 – July 11, 2006
Centro Nacional de Conservación y Registro
del Patrimonio Artístico Mueble
San Ildefonso # 50
Centro Histórico
C.P. 06020, México, D.F.

Display:

July 12, 2006 – July 15, 2006
Transportation and placement of the mural at the Antiguo Colegio de San Ildefonso in Mexico City

July 21, 2006 – October 16, 2006
Venue: Antiguo Colegio de San Ildefonso (ASCI)
Justo Sierra # 16, Centro Histórico
C.P. 06020, México, D.F.

October 16, 2006 – January 28, 2007
Deinstallation of murals from venue in Mexico City and storage at CNCRPAM

January 29, 2007 – February 3, 2007
Transportation and placement of the murals at the Museo Amparo in Puebla, Pue.

February 21, 2007 – June 17th, 2007
Venue: Museo Amparo
2 Sur 708, Centro Historico
Puebla, Pue.
72000, México

June 18, 2007 – July 1, 2007
Deinstallation of murals from venue in Puebla and storage at the Museo Amparo in Puebla, PE

July 2, 2007 – July 5, 2007
Transportation and placement of the murals at the National Anthropology Museum in Mexico City

July 8, 2007 – September 9, 2007
Venue: Museo Nacional de Antropología e Historia
Av. Paseo de la Reforma y Gandhi s/n,
Col Chapultepec-Polanco, CP 11560
México DF

September 10, 2007 - September 13, 2007
Deinstallation of murals from Museo Nacional de Antropología e Historia,

September 14, 2007 - September 20, 2007
Transportation to Monterrey, MX and installation of murals at Centro de Exposiciones Nave Lewis, Monterrey, N.L.

September 20, 2007 to January 30, 2008
Venue: Centro de Exposiciones Nave Lewis
Parque Fundidora
Av. Fundidora y Adolfo Prieto S/N
Col. Obrera, Monterrey, N.L.
Mexico, C.P. 64010

February 28, 2008
Return of the murals to Treasure Island Development Authority.

The Murals shall travel to the conservation and exhibition venues in Mexico for the approximate dates of October 30, 2005 through February 28, 2008, with any further extension subject to separate approval by the TIDA Board of Directors. Unless otherwise agreed upon in writing by the parties, INHA shall send a final list of confirmed exhibition venues, exhibition dates and corresponding facility reports on or before September 12, 2007. INHA shall not move the Murals to any other exhibition venue without the Authority and FAMSF's prior written consent and approval by the San Francisco City Risk Manager. INHA will be responsible for all costs associated with the installation, deinstallation, packing, couriers, shipping, transport and security at and between each venue in Mexico. Upon completion of the exhibition dates, FAMSF will be responsible for the security, crating, roundtrip shipping and transport of the Murals from Mexico City to San Francisco. FAMSF shall be

responsible for TIDA/FAMSF couriers, security, transport, and shipping of the Murals to the Authority. Any change of dates or location for the exhibition of the Murals shall be agreed upon in writing by all parties, and the San Francisco City Risk Manager."

5. Miscellaneous.

(a) No Other Amendments. Except as amended by this Assignment and Amendment, the Agreement and the Note shall remain unmodified and in full force and effect.

(b) Counterparts. This Assignment and Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument.

(c) Further Instruments. The parties hereto agree to execute such further instruments and to take such further actions as may be reasonably required to carry out the intent of this Assignment and Amendment.

IN WITNESS WHEREOF, the parties have executed this Assignment and Amendment as of the date first above written.

INSTITUTO NACIONAL DE BELLAS ARTES Y LITERATURA (INBA).

By: _____

Title: _____

INSTITUTO NACIONAL DE ANTHROPOLOGIA Y HISTORIA (INAH)

By: _____

Title: _____

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____

Mirian Saez, Director of Island Operations

FINE ARTS MUSEUMS OF SAN FRANCISCO (Fiscal Sponsor and Grantee of Fine Arts Field Fund)

By: _____

John E. Buchanan, Jr., Director of Museums

Approved as to Form:

DENNIS J. HERRERA
City Attorney

By: _____
Deputy City Attorney

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Consejo Nacional para la Cultura y las Artes

Instituto Nacional de Bellas Artes

Dirección General

Oficio No. DG/271/07.
México, D. F., 28 de agosto de 2007.

Sra. Mirian Saez
TIDA
Director of Island Operations
410 Avenue of the Palms
Building I, 2nd floor
San Francisco CA 94130
USA

Muy apreciada señora Saez:

Me complace dirigirme a Usted para informarle que el Instituto Nacional de Bellas Artes y Literatura (INBAL) ha sostenido diversas pláticas con el Instituto Nacional de Antropología e Historia (INAH), con el propósito de que este Órgano Desconcentrado de la Secretaría de Educación Pública del Gobierno Mexicano, transfiera al INAH todos los derechos, compromisos y obligaciones derivados del contrato firmado el 1º de septiembre del 2005 con motivo del préstamo y restauración de los Murales de Miguel Covarrubias, suscrito entre nuestras Instituciones, quedando transferidas a partir de este momento al INAH.

Con motivo de lo anterior, el Instituto Nacional de Antropología e Historia, ha expresado su absoluta conformidad para asumir la responsabilidad que garantice la protección y aseguramiento de la colección de los Murales de Miguel Covarrubias para su exhibición en el Museo Nacional de Antropología y en el marco del Forum Universal de las Culturas Monterrey 2007 manifestando su disposición absoluta para suscribir con Ustedes los documentos legales que sean indispensables para llevar acabo esta transferencia de derechos y obligaciones.

En espera de contar con su gentil colaboración, le envío un afectuoso saludo y nuestra mejor disposición para continuar colaborando de manera conjunta en la difusión del patrimonio cultural

Reciba un cordial saludo

A t e n t a m e n t e

María Teresa Franco González Salas
Directora General

c c p Emb. Alfonso de María y Campos, Director General del Instituto Nacional Antropología e Historia
Mtro. Ricardo Calderón Figueroa, Subdirector General de Bellas Artes

Paseo de la Reforma Y Campo Marte S/N Módulo "A" 2° piso, Col. Chapultepec Polanco, C.P. 11560 México, D.F.
Tel 52 80 54 74, 52 80 70 97 y Conm. 52 80 87 71 Exts 200 y 201, Fax 52 80 48 65

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

September 4, 2007

Sra. Maria Teresa Franco Gonzalez Salas
Directora General
Instituto Nacional de Bellas Artes
Avenida Paseo de La Reforma y Campo Marte
S/N Modulo A, 2nd Piso
Col. Chapultapec Polanco
CP 11560
Mexico, D.F.

Sr. Alfonso de Maria y Campos
Director General
Instituto Nacional de Anthropologia y Historia
Orizaba #215 esq. Coahuila.
Col. Roma. Del. Cuauhtémoc.
CP. 06700.
Mexico City, Mexico

Dear Emba. Franco and Emb. de Maria y Campos,

I write in response to the August 28, 2007 letter sent by Sra. Franco regarding the Loan Agreement between the Treasure Island Development Authority (TIDA), Fine Arts Museums of San Francisco (FAMSF) and the Instituto Nacional de Bellas Artes (INBA), for the on-going exhibition in Mexico of the Miguel Covarrubias "Pageant of the Pacific" murals. In this letter, Sra. Franco requested that all rights, obligations and responsibilities of the Government of Mexico (Mexico) within the Loan Agreement be assigned from INBA to the Instituto Nacional de Anthropologia y Historia (INAH) in order for INAH to coordinate an exhibition of the murals at the UNESCO Forum 2007 event in Monterrey, MX. TIDA has considered this request and is willing to assign Mexico's responsibility to INAH for the purposes of displaying the Covarrubias murals at FORUM 2007.

Sra. Franco's letter additionally requests that TIDA grant this assignment to INAH retroactively so that INAH may assume responsibility for the murals current exhibition at INAH's Museo Nacional de Anthropologia in Mexico City. Unfortunately, the terms of the insurance policy currently in place for the murals trip to Mexico will not allow us to assign responsibility retroactively. Though we recognize and appreciate the practical reasons why INBA is making

this request, our insurance broker simply will not allow us to execute a contract assigning retroactive responsibility.

Assignment of responsibility from INBA to INAH shall be effective Wednesday, September 12, 2007, the date of the next meeting of the TIDA Board of Directors, the entity formally charged to approve this assignment agreement on behalf of TIDA. Please be aware that the Assignment will require signatures from authorized representative of both INAH and INBA.

Please also be aware that there are several responsibilities that INAH shall assume:

1. Confirmation to TIDA of dates for de-installation of the murals from their current location at the Museo Nacional de Anthropologia in Mexico City, transportation of the murals to Monterrey, and installation of the murals in Monterrey. Mr. Carl Grimm, Fine Arts Museums of San Francisco head paintings conservator, shall serve as courier during all aspects of the installation, de-installation and transport of the murals between Mexico City and Monterrey.

2. As stated in Section V.F of the Loan Agreement, INAH assumes responsibility for Mr. Carl Grimm's courier costs of airfare, ground transport, hotel and per diem ($75.00 (Seventy-Five) dollars) during the time he is in Mexico serving as courier for the murals.

3. As stated in Section II.D.2 of the Loan Agreement, INAH assumes all costs associated with display of the murals in Mexico, including: local installation and de-installation, unpacking and packing of crates, graphics, security, programs, events & publicity, and transportation of the murals to Monterrey and back to Mexico City. Ground transportation of the murals must be by climate controlled, air-ride trucks followed by a security car.

4. No later than December 1, 2007 INAH or FORUM 2007 shall provide to TIDA and Fine Arts Museums of San Francisco the dates for de-installation of the murals and transport back to Mexico City. Again, Mr. Grimm shall act as courier for the murals throughout this process.

On behalf of TIDA and the City of San Francisco, I thank you both and your excellent staff members for your partnership and for your hard work and dedication on this exciting project. We look forward to working with INAH on the forthcoming display of the murals at FORUM 2007.

Sincerely,

Mirian Saez
Director of Island Operations
Treasure Island Development Authority

CC: Krista Brugnara, Director of Exhibitions, FAMSF
Adine Varah, Office of the City Attorney
Eileen Malley, Office of the City Attorney
Peter Summerville, TIDA
Jose Enrique Ortiz, National Coordinator of Museums and Expositions, INAH
Juan Manuel Santin, Director of Exhibitions, INAH
Jonathan Chait, Cultural Attache, Mexican Consulate – San Francisco
Phillip Hudner, Charles and Frances Field Fund
file

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Agenda Item No. 14 **September 12, 2007**

Subject: Authorizing the Director of Island Operations to Execute a Memorandum of Understanding with the Department of Emergency Management for the Creation of an Emergency Operations Plan and Accompanying Appendices for Treasure and Yerba Buena Islands (*Action Item*)

Staff Contact/Phone: Mirian Saez, Director of Island Operations
(415) 274-0660

SUMMARY OF PROPOSED ACTION

This item seeks the approval of the Authority's Board of Directors to execute and enter into a Memorandum of Understanding with the Department of Emergency Management to provide partial funding for the creation of an Emergency Operations Plan for Treasure and Yerba Buena Islands under the Department of Emergency Management's existing contract with URS Corporation.

BACKGROUND

The Treasure Island Development Authority (TIDA), based on enabling legislation and the subsequent Cooperative Agreement with the United States Navy, is charged with the maintenance, safety and security of former Naval Station Treasure Island. Accordingly, TIDA staff has been in continuing discussions with the City of San Francisco's Department of Emergency Management (DEM), which is responsible for all emergency and disaster planning and coordination for the City of San Francisco. Due to Treasure and Yerba Buena Island's relative isolation and the condition of existing on-Island facilities, TIDA and DEM are in agreement that an Emergency Operations Plan (EOP) and relevant functional appendices for Treasure and Yerba Buena Island is warranted in order to provide a framework and protocol for on-Island emergency and disaster response to be followed by the City's emergency service providers, including the San Francisco Fire and Police Departments, the Department of Public Works, the Department of Public Health and the Public Utilities Commission.

In the City's current emergency response framework, TIDA operates as a Department Operation Center and would coordinate with the City's Emergency Operations Center in the event of either a Citywide or Island-specific emergency. However, there are currently no specific plans within the City's Emergency Operations framework specifically addressing Treasure and Yerba Buena Islands. The creation of an Islands-specific EOP seeks to remedy this situation and provide a document and framework for specifically addressing the challenges of emergency response to the Islands which remains consistent with the City's comprehensive EOP. It is important to note that this EOP document will only address the current situation and operations on the Island, and will not address

population increases, creation of new facilities and infrastructure and other such matters anticipated as part of the redevelopment process.

DEM has proposed assigning this EOP creation task to URS Corporation (URS). URS has a current contract with DEM for various Citywide emergency planning functions and tasks. DEM and TIDA are of the opinion that the most efficient way to create this Island EOP in a manner consistent with the City's various on-going EOP planning processes is to amend DEM's current contract with URS to add the creation of the Island EOP and accompanying annexes as a specific new task within the existing DEM/URS contract. The total cost of this EOP development for Treasure and Yerba Buena Islands is approximately $130,000, of which TIDA will provide $75,000 in funding, with DEM providing the remainder of the funding. This $75,000 expenditure specifically for EOP development was approved by the TIDA Board as part of the overall FY2007-2008 TIDA budget under the Community Benefits Fund..

DEM proposes to amend its current contract with URS Corp. to add as a specific contract task: the creation of an Island-specific EOP and appendices. URS has provided TIDA and DEM a proposal for the Scope of Work (Exhibit A) necessary to create such documents, and the proposal has been reviewed, commented on and subsequently accepted as proper and feasible by DEM and TIDA staff. The item before the Authority Board today requests approval of a Memorandum of Understanding (MOU) (Exhibit B) between TIDA and the DEM. The MOU specifies that TIDA will fund $75,000 towards URS creation of an Island-specific EOP under an amendment to the existing contract between URS and DEM. The URS/DEM contract will be amended to add as "Task 21": the creation of the Island EOP and appendices. This Task 21 in the URS/DEM contract consists of the Scope of Work provided by URS to DEM and TIDA.

Once approved,, URS will begin working with TIDA and DEM staff on the various tasks contained within the Scope of Work, with TIDA staff taking the lead role in assisting URS with coordination, information gathering and community outreach. Based on the timeline presented by URS, it is expected that an Island EOP and accompanying appendices should be completed by the spring of 2008.

RECOMMENDATION

Staff recommends approval of the MOU with the Department of Emergency Management.

EXHIBITS

A URS proposed Scope of Work for creation of Emergency Operations Plan for Treasure and Yerba Buena Islands

B. Memorandum of Understanding between TIDA and Department of Emergency Management

Prepared by Peter Summerville
for Mirian Saez, Director of Island Operations

[Authorization to Execute a Memorandum of Understanding with the Department of Emergency Management]

Authorizing the Director of Island Operations to Execute a Memorandum of Understanding with the Department of Emergency Management for the Creation of an Emergency Operations Plan and Accompanying Appendices for Treasure and Yerba Buena Islands.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, Treasure Island was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, In 1995, the General Services Administration and the Bureau of Land Management determined that Yerba Buena Island was surplus to the Federal Government's needs and could be transferred to the administrative jurisdiction of the Department of Defense under the Base Closure and Realignment Act of 1990 and disposed of together with Treasure Island; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter

1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to the public trust for commerce, navigation and fisheries (the "Tidelands Trust"), vested in the Authority the authority to administer the Tidelands Trust as to such property; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency for Treasure Island in 1997; and,

WHEREAS, Under the Cooperative Agreement with the United States Navy, the Authority is charged with the maintenance, safety and security of former Naval Station Treasure Island; and,

WHEREAS, The City of San Francisco's Department of Emergency Management ("DEM"), is the local entity responsible for all emergency and disaster planning and coordination for the City of San Francisco; and,

WHEREAS, The Authority wishes to establish a formal Emergency Operations Plan ("EOP") for Treasure and Yerba Buena Islands in order to provide a framework and protocol for on-Island emergency and disaster response to be followed by the City's emergency service providers, including the San Francisco Fire and Police Departments, the Department of Public Works, the Department of Public Health and the Public Utilities Commission; and,

WHEREAS, URS Corporation has an existing contract with DEM for various Citywide emergency planning functions and tasks; and,

WHEREAS, DEM and the Authority are of the opinion that the most efficient way to create this Island EOP in a manner consistent with the City's various on-going EOP planning processes is to amend DEM's current contract with URS to add the creation of the Island EOP

and accompanying annexes as a specific new task within the existing DEM/URS Citywide emergency planning contract; and,

WHEREAS, The total cost of including this EOP development for Treasure and Yerba Buena Islands task within the contract between DEM and URS is approximately $130,000; and,

WHEREAS, Under the proposed Memorandum of Understanding between the Authority and DEM, (i) the URS/DEM contract will be amended to add as "Task 21": the creation of the Island EOP and appendices, and (ii) the Authority will provide $75,000 in funding, with DEM providing the remainder of the funding towards costs associated with this EOP creation task; and,

WHEREAS, This Task 21 in the URS/DEM contract consists of the scope of work provided by URS to DEM and the Authority; and,

WHEREAS, This $75,000 expenditure specifically for EOP development was approved by the Authority Board as part of the overall FY2007-2008 Authority budget within the Community Benefits Fund; now, therefore be it

RESOLVED, That the Authority hereby authorizes the Director of Island Operations to execute a Memorandum of Understanding with the Department of Emergency Management for the creation of an Emergency Operations Plan and accompanying appendices for Treasure and Yerba Buena Islands in substantially the form attached hereto as Exhibit A; and, be it

FURTHER RESOLVED, That the Authority hereby authorizes the Director of Island Operations to enter into any additions, amendments or other modifications to the Memorandum of Understanding that the Director of Island Operations determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce

the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the Memorandum of Understanding, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on September 12, 2007.

_____

Owen Stephens

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URS

July 2, 2007

Mr. Peter Summerville
Treasure Island Development Authority
410 Avenue of the Palms
Building One, 2nd Floor, Treasure Island
San Francisco, CA 94130

Dear Mr. Summerville:

URS is pleased to provide the Treasure Island Development Authority (TIDA) with a proposal to develop an Emergency Operations Plan (EOP). Our proposed scope of services is described below, along with a cost estimate and hourly rates for our services.

URS will prepare the EOP using the Oakland-based staff that has been assisting the San Francisco Department of Emergency Management (DEM) with planning and preparedness activities, including current revisions to the City's Emergency Operations Plan (EOP). Additionally, URS has retained Tracy Craig, principal of Craig Communications, a certified small and woman-owned business that specializes in community outreach and education in support of technical projects in the San Francisco Bay Area. Ms. Craig has worked previously on public involvement projects on Treasure Island.

Background

Treasure Island and neighboring Yerba Buena Island[1] are slated for redevelopment over the next two decades that will result in a significant increase in the islands' population, which now stands at approximately 2,000 residents. However, Treasure Island is vulnerable during emergencies and disasters due to its relative isolation and the condition of existing facilities. Consequently, TIDA proposes to develop a plan for responding to emergencies and disasters and reducing the risk of harm to island occupants.

The Bay Bridge, which is operated by the California Department of Transportation (Caltrans), is the only means of access to Treasure Island by vehicle. Access by water is also limited; there is no permanent ferry landing, nor are their significant, modern docking facilities for other boats. Consequently, Treasure Island could be generally cut off from the mainland during emergencies and disasters. In addition to posing problems for rescue, medical assistance, and supply, the island's isolation could trap people who reside on the mainland and attend island schools or are employed on the island; and prevent island residents who are working or attending school on the mainland from returning home. Earthquakes present a particularly significant risk due to the fact that Treasure Island consists of fill and many of the structures pre-date current codes for seismic safety. The island is also flood prone.

[1] From this point forward, references to Treasure Island also include Yerba Buena Island.

URS Corporation
1333 Broadway, Suite 800
Oakland, CA 94612-1924
Tel: 510.893.3600
Fax: 510.874.3268

As part of the City and County of San Francisco, Treasure Island has access to City emergency services, such as those provided by the police, fire, public works, and Public Utilities Commission. Within the structure of the City's EOP, TIDA is technically a Department Operations Center; and during emergencies would coordinate with the City's Emergency Operations Center (EOC) at 1011 Turk Street, which is managed by DEM. However, neither TIDA nor DEM has specific plans for addressing emergencies on Treasure Island.

Given Treasure Island's vulnerabilities and the current state of planning for emergencies, TIDA is seeking to develop a comprehensive EOP that will specifically address the challenges for responding to circumstances on the island. This plan will include an assessment of potential vulnerabilities and resources; management structure and incident command on the island; coordination with DEM, other city departments, and other local, state, and Federal agencies; and specific issues such as transportation and evacuation. The Treasure Island EOP will be consistent with, and an annex to, the City's EOP; and will be consistent with current requirements under the National Incident Management System (NIMS) and California's Standardized Emergency Management System (SEMS).

URS Scope of Services

URS proposes to develop the EOP and its components according to the following tasks. Some of these tasks may run concurrently, as shown in the suggested schedule provided in Figure 1.

Task 1: Scoping and Stakeholder Management

Under this task, URS will conduct an initial meeting with TIDA and DEM to review the work plan, confirm the schedule, discuss available data, and confirm potential stakeholders. Working with TIDA, URS will establish the stakeholder group that will provide input throughout the process. Suggested participants for the group, which will consist of approximately 10 representatives of key agencies, include (in addition to TIDA and DEM):

- San Francisco Police Department
- San Francisco Fire Department
- San Francisco Public Utilities Commission
- San Francisco Department of Public Works
- American Red Cross
- US Coast Guard
- US Navy
- US Department of Labor
- California Department of Transportation
- Alameda County Sheriff

URS will conduct an initial kickoff meeting with the stakeholder group to discuss potential hazards and risks, identify the parameters for the EOP, and discuss potential issues related to the Concept of Operations and annexes. URS will meet with the stakeholder group at additional intervals during the process, as described in subsequent tasks below. If appropriate, URS can meet with a smaller subset of this group first (TIDA, DEM, Police, and Fire) to conduct a preliminary discussion; and then conduct the kickoff meeting with the entire group.

Task 2 – Assessment

URS will identify and assess potential hazards (including earthquake, flood, fire, and transportation-related hazardous materials incidents) and conduct a risk assessment. These assessments will be based on existing data, including available reports, building inventories, hazard data (including mapping of seismic hazards, HAZUS loss estimation data, FEMA Flood Insurance Rate Map information, and hazard information prepared by island developers). URS will not prepare quantitative analyses of hazards or detailed inspections of specific facilities. The assessment will include evaluation of buildings, utilities, transportation infrastructure, and communications systems. Additionally, URS will describe available resources and capabilities for response. URS assumes that TIDA can assist with access to available documentation from other agencies and can provide Geographic Information System (GIS) data.

URS will prepare an electronic draft assessment report for review by TIDA and the Stakeholder Group. If necessary, URS will exclude potentially sensitive information from distribution. URS will finalize the report following receipt of review comments.

Task 3 – Community Outreach

URS will prepare and implement a community outreach program to engage island residents, groups associated with on-island services such as charter schools, and employees in the planning process. The objective of the outreach program will be to actively inform and engage the various segments of Treasure Island community to determine and prioritize their needs and interests related to emergency planning and to gather public comments that provide usable information that can be acted on, responded to, and incorporated into the emergency planning process, as appropriate.

The community outreach program will include the following components:

- Community profile: Develop a community profile that captures the island's daytime and residential population, businesses located on the island, and social organizations and identifies communication methods that match the demographic profile.

- Disseminate information: Develop a public information process to ensure that community is informed and has the opportunity to provide meaningful input in the development of the emergency response plan. This can include a survey that ranks needs and interests; dissemination of project information using pre-existing communication outlets such as John Stewart's newsletter; preparation of project email updates and/or project fact sheets and mailers; placement of select information in the local media.

- Deliver informational Open Houses: set up and host two informational Open Houses that are divided into three sections: 1) open house with project stations, 2) a short, formal presentation; and 3) a short period for questions and answers. URS assumes that TIDA can provide facilities for these meetings; and that URS will not incur any costs for logistics (including set-up and security).

- Outreach Program Report: A final report will be prepared that: 1) documents outreach activities conducted; 2) summarizes community open house results; 3) identifies community issues, concerns and comments gathered from the public comments; and 4) outlines future actions.

Task 4 – Prepare EOP Concept of Operations

Once the assessment has been completed, URS will prepare the EOP Concept of Operations, a required element for an EOP, which details the entire scope of actions to be taken for an emergency response. This document will be applicable to all hazards and will guide general operations during a response. More detailed procedures for specific functions and events will be described in annexes, which URS will prepare in Task 6, below. The process for developing the Concept of Operations will include the following components:

- Working with TIDA and DEM to formalize the relationship between the Treasure Island EOC/Incident Command Post (ICP), as well as procedures for activation; assignment of an Incident Commander; staffing; and coordinating use of Treasure Island resources for citywide emergencies.
- Developing criteria for establishing an EOC/ ICP; and reviewing candidate sites; and identifying requirements for set-up (such as equipment).
- Working with the state and Federal on-island agencies to establish protocols and mutual aid procedures; and assisting TIDA with development of agreements with these agencies.
- Working with other on-island, non-CCSF entities to establish protocols and mutual aid procedures, including identification of tracking/reimbursement mechanisms; and assisting TIDA with development of agreements with these entities.
- Preparing an outline of the Concept of Operations, in accordance with NIMS/SEMS requirements and in a matter consistent with the City's EOP.
- Conducting a Stakeholder Meeting to review EOC/ICP sites and the Concept of Operations.
- Prepare a draft of the Concept of Operations and provide for review by the Stakeholder Group.

URS will finalize the Concept of Operations following review of the draft. In addition to preparing the final planning document, URS will prepare a briefing that can be used with the TIDA Board and the City's Disaster Council. URS will assist TIDA with delivering these presentations if necessary.

Task 5 – Prepare Annexes

URS will prepare function-specific annexes for the EOP. These annexes will include procedures for the following functions:

- Evacuation
- Medical services
- Transportation of emergency workers and supplies, including water and air transport
- Handling separated families
- Damage and life/safety assessments
- Sheltering, including considerations for animal/pet sheltering and sheltering of people trapped on the Bay Bridge

Because the EOP is intended to be an all-hazards document, URS has not included development of hazard-specific annexes. URS will ensure that all annexes are consistent with their counterparts under the City's EOP.

As necessary, URS will work with TIDA to invite additional stakeholders to participate in development of these annexes. For example, it may be appropriate to engage the San Francisco Unified School District in the preparation of procedures for handling separated families.

URS will provide electronic drafts of the annexes to the Stakeholder Group and others as appropriate; and will finalize the annexes after receiving comments.

Deliverables

URS will provide the deliverables shown in Table 1, below.

Table 1 – Deliverables

Task	Deliverable(s)
1	• Meeting notes for all Stakeholder Group meetings
2	• Draft (electronic) and final (electronic + 5 hard copies) of Assessment Report
3	• 2 Open Houses • Final (electronic + 5 hard copies) of Outreach Program Report
4, 5	• Draft (electronic) and final (electronic + 5 hard copies) of EOP, including Concept of Operations and annexes • Executive PowerPoint briefing

Cost

URS proposes to provide these services at the costs shown in Table 2, below. "Other Direct Costs" include travel costs (including local travel), reproduction, and subcontractor markup (8 percent). Additional cost information is provided on the enclosed rate sheet.

Table 1: Cost Estimate

	Task	1	2	3	4	5	Total Hours	Total Cost
		Conduct Scoping	Assess Vuln	Conduct Outreach	Prepare Draft EOP	Prepare Annexes		
Skill	Rate							
Project Manager	$150	50	16	16	16	16	114	$ 17,100
Subject Matter Expert	$180		16	16	16	32	80	$ 14,400
Senior Project Professional	$130		80				80	$ 10,400
Project Professional	$105	60	80	40	40	40	260	$ 27,300
Professional	$85	50	80	40	100	120	390	$ 33,150
CADD/GIS Specialist	$85		40			16	56	$ 4,760
Illustrator/ Graphics	$80		16	8	16	24	64	$ 5,120
Word Processor	$55		8	8	8	16	40	$ 2,200
Clerk	$50	40		8			48	$ 2,400
Outreach Specialist (subcontractor)	$120	16		80			96	$ 11,520
Total Hours		216	336	216		264	1228	
Labor Cost		21970	36000	23960	19700	26720	Total	$ 128,350
Other Direct Costs and sub markup		500	100	1000	100	100	Total	$ 1,800
Total Cost		22470	36100	24960	19800	26820	Total	$ 130,150

Schedule

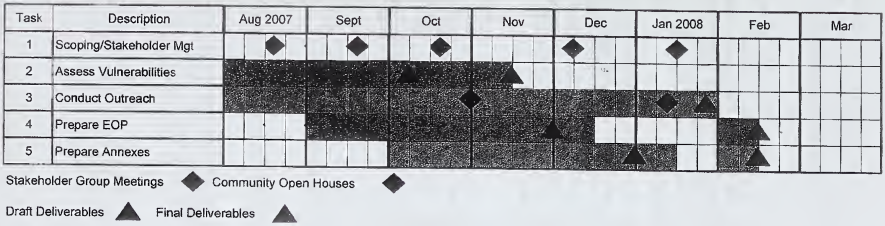
A suggested schedule is shown in Figure 1, below. URS will work with TIDA to adjust the schedule as needed to meet specific requirements.

Contract Terms

URS is enclosing our standard contract for your review. We are prepared to initiate this project upon receipt of written acceptance of mutually agreeable contract terms and conditions.

Figure 1: Schedule

Dates for meetings, Open Houses, and deliverables are approximate.



Additional Services

Additional services that URS could provide to TIDA as part of the comprehensive development of the EOP are described below.

- **Prepare Mitigation Plan Annex.** Using the assessment conducted in Task 2, URS will work with TIDA, the Stakeholder Group and community representatives to identify potential goals and objectives for a mitigation strategy. URS assumes one meeting with the Stakeholder Group to present assessment information and develop suggested strategy components, followed by one round of draft review. URS will prepare the annex in accordance with Federal Emergency Management Agency requirements for compliance with the Disaster Mitigation Act of 2000. Upon completion, the annex can be incorporated into the City's Hazard Mitigation Plan during the next update.

- **Prepare Training/Exercise Plan.** URS will review existing and ongoing plans for training and exercises in the region, including those of DEM, other City agencies, the Bay Area Urban Area Security Initiative (UASI), the Governor's Office of Emergency Services, and the Governor's Office of Homeland Security/California National Guard (through the statewide Golden Guardian exercise series). URS will also conduct a workshop with the Stakeholder Group identify potential training and exercise needs. Based on this input, URS will prepare a training and exercise plan for an agreed-upon period of time (for example, 3 years) that is consistent with Homeland Security Exercise and Evaluation Program requirements.

- **Deliver Exercise Program to Evaluate EOP.** URS will develop and deliver an exercise series to evaluate the EOP. The series will consist of two planning conferences with an exercise planning team (consisting of Stakeholder Group members or other participants), a tabletop exercise, and a functional exercise. URS will develop specific components of the exercises based on input provided by the exercise planning team during the planning conferences. URS will develop the exercise scenario, provide conference and exercise materials, and provide facilitators and controllers for the exercises. URS will also prepare and After-Action Report for each exercise that will identify recommended improvements, both for the EOP and island/City operations.

- **Revise EOP.** Following completion of the exercises, URS will revise the EOP Concept of Operations and annexes based on exercise results.

At the appropriate time, URS can work with TIDA to discuss a cost estimate and further refinement of these tasks, as appropriate.

We look forward to further discussions with you regarding this project. If you have questions, please contact Chris Barkley at 510.874.1740 or Louis Armstrong at 510.893.3600.

Sincerely,

URS CORPORATION

for Louis Armstrong, Vice President
Principal-in-Charge

Chris Barkley
Project Manager

Enclosure

TREASURE ISLAND DEVELOPMENT AUTHORITY
2007 SCHEDULE OF FEES AND CHARGES

The following describes the basis for compensation for services performed during the fiscal year 2007. This Schedule of Fees and Charges will be adjusted annually on January 1 of each subsequent year to reflect merit and economic salary increases, and changes in the expected level and mode of operations for the new year. The new Schedule of Fees and Charges will apply to existing and new assignments.

PERSONNEL CHARGES

The charge for all time required in the performance of the Scope of Services, including office, field and travel time, will be at the Unit Price Hourly Rates set forth below for the labor classifications indicated.

Labor Classification	Hourly Rate
Clerk*	$50
Word Processor/Project Assistant/Editor*	55
CADD Technician/Illustrator*	55
Project Administrator/Controller	85
Technician*	55
Sr. CADD Technician/Sr. Illustrator/Designer*	85
Sr. Technician*	90
Sr. Designer/Lab, Field, or CADD Supervisor	100
Staff Professional	65
Professional	85
Project Professional	105
Senior Project Professional	130
Project Manager	150
Senior Project Manager	170
Principal Professional/Subject Matter Expert	180
Senior Exercise Manager	122
Exercise Controller	100
Senior Exercise Support Specialist	74
Exercise Support Specialist	59

Charges for contract personnel under URS supervision and using URS facilities will be made according to the hourly rate corresponding to their classification. When staff are performing field work on projects, a minimum daily charge of 4 hours will apply.

When URS staff appear as expert witnesses at court trials, arbitration hearings, and depositions, their time will be charged at $303.00 per hour.

Overtime (hours worked in excess of eight (8) hours per day) by exempt personnel will be charged at the above straight time hourly rate. Overtime by non-exempt personnel (classifications identified with an asterisk "*") will be charged at 1.3 times the above hourly rates.

Special project accounting reporting and financial services, including submission of invoice supporting documentation, will be charged at the rate of a clerk.

OTHER PROJECT CHARGES

Subcontracts and Other Non-Salary Expenses
The cost of services subcontracted by URS to others and other outside costs incurred by URS that are directly identifiable to the project will be charged at cost plus 8% and 4%, respectively.

Communications
The cost of communications including telephone (excluding cellular phones), telex, facsimile, postage, and other incidental costs will be charged at a flat rate of 4% of total gross labor charges.

Computers
The charge for use of Computer-Aided Design and Drafting (CADD), graphics generation, modeling applications, Geographic Information Systems (GIS), and similar technical computing is $25.00 per hour.

In addition to the above, the following charges will apply to plots generated by the CADD and GIS systems:

Plot Size	Paper	Mylar
Smaller than D-size	$3.00	$9.00
D-size	$6.00	$18.00
Larger than D-size	$1.00/ft^2	$3.50/ft^2

Document Reproduction
In-house reproduction will be charged at $0.10 per page for black and white, $1.75 per page for premium color and $1.00 per page for standard color.

Specialized Equipment
The use of specialized URS equipment (including cellular phones) will be the fixed rental rates consistent with prevailing market rates.

Vehicles and Mileage
The mileage charge for personal vehicles used on project assignments will be the current mileage rate established by the Internal Revenue Service.

URS owned vehicles used on project assignments will be charged at $85.00 per day, with a minimum charge of one-half day.

This fee schedule contains confidential business information and is not to be copied or distributed for any purpose other than the use intended in this contract or proposal.

RECYCLED
80000 SERIES
30% P.C.W.

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (this "**Agreement**"), dated for reference purposes only as of _____, 2007, is entered into by and between the Treasure Island Development Authority ("**TIDA**"), a California public benefit corporation, and the San Francisco Department of Emergency Management ("**DEM**"), an agency of the City and County of San Francisco ("City").

RECITALS

A. TIDA has been working with DEM, which is responsible for all emergency and disaster planning and coordination for the City, in connection with the preparation of an Emergency Operations Plan and relevant functional appendices for Treasure Island and Yerba Buena Island (the "EOP") in order to provide a framework and protocol for on-Island emergency and disaster response to be followed by the City's emergency service providers, including the San Francisco Police Department, the San Francisco Fire Department, the Department of Public Works, the Department of Public Health and the Public Utilities Commission.

B. The City, acting by and through its Office of Contract Administration, and URS Corporation ("URS") are parties to an Agreement dated September 23, 2005, as amended by the First Amendment dated August 16, 2006 (collectively, the "URS Agreement"), pursuant to which URS provides various citywide emergency planning functions and tasks to DEM as more particularly described in the URS/EG&G Workplan attached to the URS Agreement as Appendix C.

C. In order to create the EOP in an efficient manner that is consistent with the City's various on-going emergency planning processes, TIDA and DEM desire to have URS provide the services described in "Task 21," which is attached hereto as Exhibit A, on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, IN CONSIDERATION of the foregoing, TIDA and DEM hereby agree as follows:

AGREEMENT

1. **Recitals.** The foregoing recitals are true and correct and are incorporated herein by this reference.

2. **Amended URS Agreement.** DEM agrees to cause the URS Agreement to be amended to include Task 21 in the URS/EG&G Workplan.

3. **Fees.** TIDA shall be responsible for Seventy-Five Thousand Dollars ($75,000) (the "TIDA Contribution") of the fee payable to URS for the performance of Task 21 under the URS Agreement. DEM shall be responsible for all costs payable to URS under the URS Agreement in excess of the TIDA Contribution. The TIDA Contribution shall be payable to DEM upon completion of Task 21 or, alternatively, TIDA may make progress payments in

accordance with a mutually agreeable payment schedule.

4. Delivery of Documents. DEM shall deliver to TIDA, or shall cause URS to deliver to TIDA, copies of all materials and other work product related to Task 21 that URS delivers to REM.

5. Approval Rights. To the extent that DEM has any approval rights under the URS Agreement with respect to matters relating to Task 21, DEM and TIDA shall jointly exercise such rights.

6. Miscellaneous Provisions.

a. California Law. This Agreement shall be construed and interpreted in accordance with the Laws of the State of California and the City's Charter.

b. Entire Agreement. Subject to any subsequent agreements authorized pursuant to this Agreement, this Agreement contains all of the representations and the entire agreement between the parties with respect to the subject matter of the Agreement. Any prior correspondence, memoranda, agreements, warranties, or written or oral representations relating to such subject matter are superseded in total by this Agreement. No prior drafts of this Agreement or changes from those drafts to the executed version of the Agreement shall be introduced as evidence in any litigation or other dispute resolution proceeding by any party or other person, and no court or other body should consider those drafts as in interpreting this Agreement.

c. Amendments. No amendment of this Agreement or any part thereof shall be valid unless it is in writing and signed by all of the parties hereto.

d. Severability. Except as is otherwise specifically provided for this Agreement, invalidation of any provision of this Agreement, or of its application to any person, by judgment or court order, shall not affect any other provision of this Agreement or its application to any other person or circumstance, and the remaining portions of this Agreement shall continue in full force and effect, unless enforcement of this Agreement as partially invalidated would be unreasonable or grossly inequitable under all of the circumstances or would frustrate the purpose of this Agreement.

e. No Party Drafter; Captions. The provisions of this Agreement shall be construed as a whole according to their common meaning and not strictly for or against any party in order to achieve the objectives and purposes of the parties. Any caption preceding the text of any section, paragraph or subsection is included only for convenience of reference and shall be disregarded in the construction and interpretation of the Agreement.

f. Singular, Plural, Gender. Whenever required by the context, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine genders, and vice versa.

g. Successors. The terms, covenants, agreements and conditions set forth in this

Agreement shall bind and inure to the benefit of TIDA and DEM and, except as otherwise provided herein, their contractors, agents, personal representatives, successors, and assigns.

h. Waiver. No failure by either party to insist upon the strict performance of any obligation of the other party under this Agreement or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, and no acceptance of full or partial Agreement consideration during the continuance of any such breach shall constitute a waiver of such breach or of the right to demand strict compliance with such term, covenant, or condition. A party's consent to or approval of any act by the other party requiring consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent act. Any waiver of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Agreement.

i. Further Assurances. The parties hereto agree to execute and acknowledge such other and further documents as may be necessary or reasonably required to carry out the mutual intent of the parties as expressed in this Agreement.

j. Incorporation of Exhibits. All exhibits to this Agreement are incorporated herein by this reference and made a part hereof as set forth in full.

7. **Approval Contingency.** This Agreement shall not be effective unless approved by the Treasure Island Development Authority Board of Directors and, if necessary, the City's Office of Contract Administration.

[No further text this page]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written above.

AGREED TO AS WRITTEN ABOVE:

TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public corporation

By:_____
MIRIAN SAEZ
Director of Island Operations

Date:_____

APPROVED AS TO FORM:

Dennis J. Herrera, City Attorney

By:_____
Deputy City Attorney

AGREED TO AS WRITTEN ABOVE:

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation acting by and through its DEPARTMENT OF EMERGENCY MANAGEMENT

By:_____
LAURA PHILLIPS
Executive Director

Date: _____

APPROVED AS TO FORM:

Dennis J. Herrera, City Attorney

By:_____
Deputy City Attorney

EXHIBIT A

TASK 21
[Attached]

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Agenda Item No.15 **September 12, 2007**

Subject: **Resolution approving the Treasure Island Development Authority Board of Directors Regular Meeting Schedule for Fiscal Year 2007-2008**

Staff Contact/Phone: Mirian Saez, Director of Island Operations
(415) 274-0660

SUMMARY OF PROPOSED ACTION:
This item seeks the approval of the Regular Meeting Schedule of the Authority Board of Directors for Fiscal Year 2007-2008.

BACKGROUND:
Article V, Sections 10 and 11 of the Second Amended and Restated Bylaws of the Treasure Island Development Authority ("Authority") state that:

> **Section 10.** **Place of Directors' Meetings.** Meetings of the Board shall be held at the principal office of the Authority unless a different place is designated by resolution of the Board or in the notice of such meeting.
>
> **Section 11.** **Regular Meetings.** The Board by resolution may provide for the holding of regular meetings and may fix the time and place of holding such meetings.

Authority Board resolution 99-01-01/20, approved January 20, 1999, set the current regular meeting location for Authority Board meetings as San Francisco City Hall Room 400. Authority Board resolution 02-90-4/10, approved April 10, 2002, set the current regular meeting time and date for Authority Board meetings as the second Wednesday of each month at 1:30 PM. This item before the Board seeks to memorialize the regular meeting schedule of the Authority Board of Directors for FY 2007-2008. All monthly meetings shall continue to be held on the second Wednesday of each month at 1:30 PM at San Francisco City Hall Room 400, except for the November Board of Directors meeting, which shall be held on Treasure Island at a place and time properly noticed to the public. Special meetings of the Authority Board of Directors, or subcommittees of the Authority Board of Directors, shall be properly scheduled and noticed to the public as the need for such meetings arises.

RECOMMENDATION:
Staff recommends approval of the schedule for regular Authority Board of Directors meetings as discussed above.

Prepared by Peter Summerville
for Mirian Saez, Director of Island Operations

Exhibit A: Schedule of Regular Meetings of the Authority Board of Directors for FY 2007-2008

FILE NO. _____ RESOLUTION NO.

[Approval of the Board of Directors Schedule of Meetings]

Resolution Approving the Treasure Island Development Authority Board of Directors Regular Meeting Schedule for FY 2007-2008.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America (the "Navy"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the bylaws of the Authority, the Authority Board of Directors meets regularly on a monthly basis and also holds properly noticed additional as-needed special meetings throughout the year; and,

WHEREAS, the Authority wishes to memorialize the regular meeting schedule of the Board of Directors for Fiscal Year 2007-2008; now, therefore be it

RESOLVED, That the Board of Directors hereby approves the Authority Board of Directors Regular Meeting Schedule for Fiscal Year 2007-2008 in the form attached hereto as Exhibit A

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on September 12, 2007.

_____
Owen Stephens, Secretary

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CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND



MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

SCHEDULE OF TREASURE ISLAND DEVELOPMENT AUTHORITY BOARD OF DIRECTORS MEETINGS

FY 2007 - 2008

TIDA Board meetings are held the second Wednesday of each month at 1:30 p.m. in Room 400 at San Francisco City Hall, unless otherwise noticed.

July	11	1:30 p.m.
August	8	Cancelled
September	12	1:30 p.m.
October	10	1:30 p.m.
November	14	TBD/Meeting to be held on Treasure Island
December	12	1:30 p.m.
January	9 (optional)	1:30 p.m.
February	13	1:30 p.m.
March	12	1:30 p.m.
April	9	1:30 p.m.
May	14	1:30 p.m.
June	11	1:30 p.m.

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CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
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GAVIN NEWSOM, MAYOR

SF
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draft

DRAFT Minutes of Meeting
Treasure Island Development Authority
September 12, 2007

City Hall, Room 400
1 Carlton B. Goodlett Place
San Francisco, CA

1. **Call to Order**: 1:38 PM

Roll Call Present: Claudine Cheng (Chair)
Jared Blumenfeld
John Elberling
Matthew Franklin
Owen Stephens

Excused: Jesse Blout
Supervisor Chris Daly

DOCUMENTS DEPT.

OCT - 9 2007

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2. Report by Director of Island Operations

Ms. Mirian Saez, Director of Island Operations, provided an update on her schedule and activities on the Island. Discussions with TIHDI continue on replacement of roofs on the 54 transferred units. Efforts continue to prevent trespassers into buildings on the Island, including residential parking stickers, routine patrol of identified nuisance buildings. The Crossroads Café will close on November 30th. Staff is working with Base Reuse staff and a graphic design firm on the creation of a logo for Treasure Island. TIDA hosted the Mayor's Office summer interns for lunch and tour of the Islands. The Treasure Island Music Festival will take place on the Great Lawn the weekend of September 14th and 15th, and the California Dragon Boat Festival will take place in Clipper Cove on the weekend of September 21st and 22nd.

3. Report by the Office of Base Reuse and Development

Ms. Kyri McClellan, Office of Base Reuse and Development, provided an update on three State legislature items affecting Treasure Island: SB 163 regarding the on and off-ramps on Yerba Buena Island; AB 1543 regarding the proposed transportation demand management district for Treasure Island; and SB 815 regarding trust exchange on Treasure and Yerba Buena Island.

Mr. Jack Sylvan, Office of Base Reuse and Development, introduced new Assistant Project Manager in the Office of Base Reuse, Michael Tymoff, who will be working on the redevelopment planning for Treasure Island. Discussed submission of amended Economic Development Conveyance (EDC) application to the United States Navy and status of discussions with Navy over property transfer. Provided copies of the EDC Application to the Board. Discussed the recently completed installation of the submarine electrical cable from the East Bay, the cable will provide a redundant power supply to the Island. Provided an update on the Development Schedule. Per request from Board, discussed contracting strategy for redevelopment planning process.

4. Communications
There was no discussion of the Communications.

5. Report by the Treasure Island/Yerba Buena Island Citizen Advisory Board
There was no CAB report provided for this meeting.

6. Ongoing Business by Directors
There was no discussion on this item.

7. General Public Comment
Ms. Sherry Williams, TIHDI Executive Director, invited the Board to the Treasure Island Community Festival on September 29th on the Great Lawn on Treasure Island. The Festival will run from 11 AM to 3 PM.

Mr. Marc Conners, Good Neighbors of Treasure Island, discussed recent neighborhood events and the community activities of the Good Neighbors.

Ms. Ruth Gravanis spoke in support of continuing to place TIDA public materials on the website and in support of the proposed Coastal Clean-Up Day on Treasure Island which denied a permit due to the upcoming Music Festival.

Mr. Richard Hansen, Treasure Island Museum Association, spoke in support of the development schedule presented earlier in the meeting, and in support of inclusion of a Museum in the redevelopment plans.

Ms. Eve Bach spoke in support of an in-depth review of the process for selecting a consultant for the upcoming Environmental Impact Review document.

8. Consent Agenda
There was no Public Comment on the Consent Agenda.

Director Elberling motioned for approval.
Director Blumenfeld seconded the motion.
The Consent Agenda was approved unanimously.

9. Amendment to TIHDI Revenue Sharing and Consent Agreement

Mr. Marc McDonald, TIDA Facilities Manager, presented an amendment to the Treasure Island Homeless Development Iniative Revenue Sharing and Consent Agreement. At its regular meeting of March 22, 2006, the Authority agreed to a request from TIHDI to release fifty four (54) units from the Sharing Agreement and to return those units to TIHDI for use by member organizations- Community Housing Partnership and Walden House. At the same time, the Authority accepted a recommendation from Project Staff to change the Sharing Agreement formula for calculating revenue shared with TIHDI based on a factor established by the number of units then managed by JSCO, including units that were transferred to TIHDI member organizations on July 1, 2007. A recent review of the formula recommended by Project Staff on March 22, 2006 reveals that the factor of 10.83% is incorrect because the number of units managed by JSCO has been reduced by the number of units returned to TIHDI. Based on the current allocation of residential units Project Staff, with the support of JSCO staff and TIHDI staff, recommends that Eight and Forty Nine One Hundredths Percent (8.49%) of percentage rent distributed to the Authority by JSCO be provided to TIHDI.

There was no Public Comment on this item.

Director Blumenfeld motioned for approval of this item.
Director Elberling seconded the motion.
The item was approved unanimously.

10. Authorizing the Director of Island Operation to Enter Sole Source Negotiations with the Treasure Island Job Corps to Operate the Treasure Island Cafe

Mr. Marc McDonald, TIDA Facilities Manager, presented an authorization to enter sole source negotiations with the Job Corps for operation of the Café on Treasure Island. Delancey Street has informed TIDA that it will stop operating the Café on November 30th, 2007. The Treasure Island Job Corps Center, which is administered by the United States Department of Labor, has also contacted Project Staff with an expression of interest in assuming operations of the Crossroads Café. The Treasure Island Job Corps Center is a training facility which provides youth the opportunity to learn a trade, complete their high school education, participate in hands-on job training, and receive job placement support. Project Staff anticipates that a public solicitation process for a new subtenant for the Crossroads Café will take up to six months, during which time the Crossroads Café will remain closed. On the other hand, sole source negotiations with Job Corps will reduce the time that this amenity will be closed to the public. As negotiations proceed, Project Staff will return to the Authority Board with reports about the progress of discussions. However, if negotiations with Job Corps do not lead to a mutually satisfactory conclusion, Project Staff will explore opportunities to secure a subtenant for the Crossroads Café through a public solicitation process.

There was no Public Comment on this item.

Director Blumenfeld motioned for approval of this item.
Director Stephens seconded the motion.
The item was approved unanimously.

11. Approval of Amendment to Interim Subleaseing Policy and Rental Rate Schedule

Mr. Marc McDonald, TIDA Facilities Manager, presented an amendment to interim sublease policy and rental rate schedule to add the Treasure Island School facility. At the regular meeting of July 11, 2007, the Treasure Island Development Authority Board of Directors authorized the Director of Island Operations to execute an amendment to the Land & Structures Lease with the US Navy to add the Treasure Island School to the lease premises, thereby making the property eligible for sublease to third parties. Project Staff also evaluated the property to identify its Highest and Best Use and a fair market Minimum Rental Rate. In conducting this evaluation Project Staff referred to the appraisal performed by the firm of Carneghi, Blum for guidance in developing suitable criteria. As the building is not suitable as a stand-alone facility in the Treasure Island market, it will be marketed as a multi-tenant building, indicating that the building should be leased on a Full-Service basis. Project Staff estimates expenses for the school building to be $0.50 psf per month, indicating a Full service rental rate of $1.00 psf per month for office/assembly.

There was no Public Comment on this item.

Director Elberling motioned for approval of this item.
Director Stephens seconded the motion.
The item was approved unanimously.

12. Approval of Second Amendment to Loan Agreement with Mexico for Miguel Covarrubias Murals.

13. Approval of Third Amendment to Loan Agreement and Assignment Agreement with Mexico for Miguel Covarrubias Murals.

Mr. Peter Summerville, TIDA Special Projects Director, presented two Amendments to the Loan Agreement with the Government of Mexico for the display of the Authority's "Pageant of the Pacific" murals painted by Mexican artist Miguel Covarrubias. The Second Amendment amends the schedule of display to reflect the change in venue for the third exhibit to the National Anthropology Museum in Mexico City. The third Amendment and Assignment Agreement amends the schedule of display to include an additional exhibit at the UNESCO Forum 2007 in Monterrey, Mexico. The Third Amendment also transfers the responsibilites of the Government of Mexico as it pertains to the Loan Agreement from the Instituto Nacional de Bellas Artes (INBA) to the Instituto Nacional de Anthropologia e Historia (INAH). The display at Forum 2007 will run through January, 2008 at which time the murals will return to the Authority.

Mr. Jonathan Chait, Mexican Consulate in San Francisco, thanked the Board for its support of the display in Mexico of the Covarrubias murals.

There was no Public Comment on Item 12.

Director Cheng motioned for approval of Item 12.
Director Elberling seconded the motion.
The item was approved unanimously.

There was no Public Comment on Item 13.

Director Cheng motioned for approval of Item 13.
Director Elberling seconded the motion.
The item was approved unanimously.

14. Approval of an Agreement with the Department of Emergency Management for Funding the Creation of an Island Emergency Operations Plan

Mr. Peter Summerville, TIDA Special Projects Director, presented an agreement with the Department of Emergency Management (DEM) for creation of an Island-specific Emergency Operations Plan (EOP). DEM has proposed assigning this EOP creation task to URS Corporation (URS). URS has a current contract with DEM for various Citywide emergency planning functions and tasks. DEM and TIDA are of the opinion that the most efficient way to create this Island EOP in a manner consistent with the City's various on-going EOP planning processes is to amend DEM's current contract with URS to add the creation of the Island EOP and accompanying annexes as a specific new task within the existing DEM/URS contract. The total cost of this EOP development for Treasure and Yerba Buena Islands is approximately $130,000, of which TIDA will provide $75,000 in funding, with DEM providing the remainder of the funding. This $75,000 expenditure specifically for EOP development was approved by the TIDA Board as part of the overall FY2007-2008 TIDA budget under the Community Benefits Fund.

There was no Public Comment on this item.

Director Cheng motioned for approval of Item 13.
Director Stephens seconded the motion.
The item was approved unanimously.

15. Approving the TIDA Board of Directors Regular Meeting Schedule for FY2007-2008

Director Cheng stated that an on-Island meeting of the Authority Board would be held as the Board's regular November meeting.

There was no public comment on this item.

Director Cheng motioned for approval of this item.
Director Blumenfeld seconded the motion.
The item was approved unanimously.

16. Discussion of Future Agenda Items by Directors

There was no discussion by the Board on this item.

17. Closed Session for Conference with Real Property Negotiators

There was no Public Comment on the proposed Closed Session

Director Elberling motioned to move to Closed Session
Director Stephens seconded the motion

The TIDA Board moved to closed session at 3:15 PM

Closed Session Participants:
Jack Sylvan, Office of Base Reuse and Development
Michael Tymoff, Office of Base Reuse and Development
Mirian Saez, Director of Island Operations
Eileen Malley, Office of the City Attorney
Peter Summerville, Treasure Island Development Authority

The TIDA Board returned to Open Session at 3:40 PM

Director Elberling motioned not to disclose the Closed Session discussion
Director Stephens seconded the motion
The Closed Session discussion was not disclosed

18. Adjourn
Director Cheng motioned for adjournment at 3:41 PM.

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

GAVIN NEWSOM, MAYOR

TREASURE ISLAND DEVELOPMENT AUTHORITY
MEETING AGENDA

October 10, 2007 - 1:30 P.M.

Room 400, City Hall
1 Dr. Carlton B. Goodlett Place

SF
T74
#1
10/10/07

DOCUMENTS DEPT.

OCT - 9 2007

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Gavin Newsom, Mayor

DIRECTORS

Claudine Cheng, *President*
Fred Blackwell
Jesse Blout
Jared Blumenfeld
John Elberling, *C.F.O.*
Matthew Franklin
Owen Stephens, *Secretary*
Supervisor Chris Daly *(Ex-Officio)*

Mirian Saez, Director of Island Operations
Peter Summerville, Commission Secretary

ORDER OF BUSINESS

1. Call to Order and Roll Call

2. Report by Director of Island Operations (*Discussion Item*)
   Length of Item: 10 minutes

3. Report by Office of Base Reuse and Development (*Discussion Item*)
   Length of Item: 15 minutes

4. Communications (*Discussion Item*)
   Length of Item: 5 minutes

5. Report by the Treasure Island/Yerba Buena Island Citizen's Advisory Board (*Discussion Item*)
   Length of Item: 5 minutes

6. Ongoing Business by Directors (*Discussion Item*)
Length of Item: 5 minutes

7. General Public Comment (*Discussion Item*) ***In addition to General Public Comment (Item #7), Public Comment will be held during each item on the agenda.***
Length of Item: 10 minutes

8. **CONSENT AGENDA**
Length of Item: 5 minutes

All matters listed hereunder constitute a Consent Agenda, are considered to be routine by the Treasure Island Development Authority Board and will be acted upon by a single vote of the Authority Board. There will be no separate discussion of these items unless a member of the Authority Board so requests, in which event the matter shall be removed from the Consent Agenda and considered as a separate item.

a.) Approving the Minutes of the September 12th, 2007 Regular Meeting (*Action Item*)

b.) Resolution Approving the Fifth Amendment to the Exclusive Negotiating Agreement with Treasure Island Enterprises, LLC, to extend the time for exclusive negotiations for the redevelopment of the Treasure Island Marina (*Action Item*)

c.) Resolution Approving a Second Addendum to the Term Sheet for the Disposition and Development Agreement and Ground Lease between the Treasure Island Development Authority and Treasure Island Enterprises, LLC for the Redevelopment of the Treasure Island Marina (*Action Item*)

d.) Resolution Approving and Authorizing the Director of Island Operations to Execute an Agreement with the Red Cross of America for the Use of the Administration Building Lobby as an Emergency Shelter Location (*Action Item*)

e.) Resolution Approving and Authorizing the Director of Island Operations to Execute an Agreement with the Red Cross of America for the Use of the Nimitz Conference Center, aka Building 140, as an Emergency Shelter Location (*Action Item*)

f.) Resolution Approving Amendments to the Rental Policy for Special Events on Treasure Island and Additions to the Event Venue Rate Schedule (*Action Item*)

9.) Resolution Approving and Authorizing the Director of Island Operations to Enter into a Management Agreement and Use Permit for an Economic Development Opportunity with the Treasure Island Homeless Development Initiative, Toolworks, and Wine Valley Catering to Provide Exclusive Marketing, Catering, and Management Services for Certain Events Venues on Treasure Island (*Action Item*)
Presented by: Mirian Saez, Director of Island Operations
Length of Item: 15 Minutes

10.) Resolution Authorizing the Director of Island Operations to Share the Cost of Certain Improvements to Units Returned to the Treasure Island Homeless Development Initiative in Accord with the Terms of the Sharing Agreement Between the Authority and The Treasure Island Homeless Development Initiative (*Action Item*)
Presented by: Marc McDonald, TIDA Facilities Director
Length of Item: 5 Minutes

11.) Presentation on Rehabilitation of Quarters 10, 61 and 62 to Make Available for Use as Temporary Housing (*Discussion Item*)
Presented by: Marc McDonald, TIDA Facilities Director
Length of Item: 10 Minutes

12.) Presentation by U.S.Navy on Bay Bridge Ramps Inspection (*Discussion Item*)
Presented by: Patricia McFadden, United States Navy
Length of Item: 10 Minutes

13.) Discussion of Future Agenda Items by Directors

14.) Adjourn

Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Development Authority Office, 410 Avenue of the Palms, Building 1, Treasure Island, and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.

Disability Access

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The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing devices.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign and Governmental Code 2.100] to register and

report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, telephone (415) 581-2300, fax (415) 581-2317 and web site http://www.sfgov.org/ethics/.

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(Chapter 67 of the San Francisco Administrative Code)

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Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from the SOTF or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, http://www.sfgov.org/sunshine/

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Office of the Mayor
City & County of San Francisco

Gavin Newsom

October 4, 2007

Mirian Saez
Director of Island Operations
Treasure Island Development Authority
410 Avenue of Palms, Building 1
San Francisco, CA 94130

Dear Ms. Saez,

Pursuant to the Charter of the City and County of San Francisco, I am appointing Fred Blackwell, Executive Director of the San Francisco Redevelopment Agency, as a member of the Treasure Island Development Authority commencing October 4, 2007.

Please see the attached biography which will illustrate that Mr. Blackwell's qualifications allow him to represent the communities of interest, neighborhoods and diverse populations of the City and County.

Should you have any questions about this appointment, please contact Wade Crowfoot in my office at 415-554-6640.

Sincerely,

Gavin Newsom
Mayor

1 Dr. Carlton B. Goodlett Place, Room 200, San Francisco, California 94102-4641
gavin.newsom@sfgov.org • (415) 554-6141

Office of the Mayor
City & County of San Francisco



Gavin Newsom

October 4, 2007

Angela Calvillo
Clerk of the Board
Board of Supervisors
1 Carlton B. Goodlett Place
San Francisco, California 94102

Dear Ms. Calvillo,

Pursuant to the Charter of the City and County of San Francisco, I have appointed Fred Blackwell, Executive Director of the Treasure Island Development Authority, as a member of the Treasure Island Development Authority commencing October 4, 2007.

Please see the attached biography which will illustrate that Mr. Blackwell's qualifications allow him to represent the communities of interest, neighborhoods and diverse populations of the City and County.

Should you have any questions about this appointment, please contact Wade Crowfoot in my office at 415-554-6640.

Sincerely,

Gavin Newsom
Mayor

1 Dr. Carlton B. Goodlett Place, Room 200, San Francisco, California 94102-4641
gavin.newsom@sfgov.org • (415) 554-6141

DATE	TYPE	LOCATION	EVENT	START	END	GUESTS
26 Oct 07	rehearsal	Chapel	Monica Ng			30
26 Oct 07	set up	Building 1 Lobby	SF Maritime Association	5PM	10PM	
27 Oct 07	Fundraiser	Building 1 Lobby	SF Maritime Association	7AM	2AM	400
27 Oct 07	Wedding	Chapel/Casa	Monica Ng	3PM	1.30AM	180
27 Oct 07	rugby	Sports Field	Bay Area Rugby Inc	8AM	6PM	200
28 Oct 07	baseball	Sports Field	San Francisco Little League	9AM	5PM	50
28 Oct 07	Wedding	Chapel	Paul Vinson/Alma Mallari	1PM	4PM	100
28 Oct 07	Party	Casa de la Vista	Black Rock City, LLC	2PM	10PM	200
29 Oct 07		Chapel Lot	Chicken Hooray	2PM	9PM	
03 Nov 07	Party	Building 3	Safeway Foundation			2,000
03 Nov 07	Wedding	Chapel/Casa	Geetanjali Arora/Burgess Kerawalla	5PM	2AM	180
03 Nov 07	rehearsal	Chapel	Christine Tripp/Steve Barbo	2PM	3PM	30
03 Nov 07	Wedding	Chapel	Yorkie Chan/Bruce Lee	9.30AM	12.30PM	100
04 Nov 07	baseball	Sports Field	San Francisco Little League	9AM	5PM	50
04 Nov 07	Wedding	Casa de la Vista	Christine Tripp/Steve Barbo	2.30PM	10.30PM	180
05 Nov 07		Chapel Lot	Chicken Hooray	2PM	9PM	
10 Nov 07	Triathlon	Bldg 180 Lot/Cove	Tri California Events-TI Triathlon	7AM	3PM	2,500
12 Nov 07		Chapel Lot	Chicken Hooray	2PM	9PM	
14 Nov 07	meeting	Casa de la Vista	TIDA meeting			
17 Nov 07	Dinner	Building 1	Classic Party Rentals	3PM	12AM	500
17 Nov 07	Wedding	Chapel	Wendy Lam/Benjamin Chan	2PM	5PM	250
17 Nov 07	Wedding	Casa de la Vista	Sheila Singh/Michael Silveira	3PM	1AM	150
19 Nov 07		Chapel Lot	Chicken Hooray	2PM	9PM	
21 Nov 07	Party	Casa de la Vista	Amoeba Music	4PM	2AM	300
26 Nov 07		Chapel Lot	Chicken Hooray	2PM	9PM	
01 Dec 07	Party	Casa de la Vista	St Rose Hospital Medical Staff	12PM	12AM	160
07 Dec 07	Party	Casa de la Vista	Team Commercial Construction	1PM	2AM	150
08 Dec 07	Wedding	Casa de la Vista	Annalisa Schappert/David Christian	4PM	12AM	300

DATE	TYPE	LOCATION	EVENT	START	END	GUESTS
04 Oct 07		Chapel Lot	Chicken Hooray	2PM	9PM	
05 Oct 07	retreat	Casa de la Vista	Jeff Adachi	8AM	6PM	12
05 Oct 07	set up	Chapel	Alzheimers Association	8AM	5PM	
06 Oct 07		Fogwatch Lot	Chicken Hooray	1PM	9PM	
06 Oct 07	Fundraiser	Chapel	Alzheimers Association	5AM	3PM	6,500
06 Oct 07	Fundraiser	Casa de la Vista	Latino Peace Officers Association™	4PM	12AM	200
06 Oct 07	Picnic	Fogwatch Picnic	Trips 4 U	8AM	4PM	85
07 Oct 07		Fogwatch Lot	Chicken Hooray	10AM	5PM	
07 Oct 07	baseball	Sports Field	San Francisco Little League	9AM	5PM	50
07 Oct 07	Picnic	Fogwatch Picnic	Naval Academy Parents Club	8AM	5PM	225
08 Oct 07		Fogwatch Picnic	Chicken Hooray	2PM	9PM	
10 Oct 07	rehearsal	Chapel	Zoe Ng/Jonathon Padilla	5PM	6PM	30
12 Oct 07	Wedding	Chapel/Casa	Zoe Ng/Jonathon Padilla	3PM	12AM	180
13 Oct 07	Ceremony	Great Lawn	Lydia Wu/Allen Tsai	11AM	8PM	200
13 Oct 07	Wedding	Chapel/Casa	Erin McHugh/Steven Shaw			180
13 Oct 07	rehearsal	Casa de la Vista	Stephanie Hibbert/Mark Pearson	11AM	12PM	20
14 Oct 07	baseball	Sports Field	San Francisco Little League	9AM	5PM	50
14 Oct 07	Wedding	Casa de la Vista	Stephanie Hibbert/Mark Pearson	12PM	9PM	180
15 Oct 07		Chapel Lot	Chicken Hooray	2PM	9PM	
16 Oct 07	Meeting	Casa de la Vista	Navy-CSO-RAB	4PM	9PM	50
20 Oct 07	Picnic	Fogwatch Picnic	Shep Maher	11AM	7PM	225
20 Oct 07	rehearsal	Chapel	Rhea Durr/Eric Bailey	12PM	1PM	30
20 Oct 07	Wedding	Casa de la Vista	Meghna Subramanian/Kareem Ghahem	4PM	12AM	180
20 Oct 07	Wedding	Chapel/Bldg 1	Jasmine Buack/Dominic PeBenito	2PM	11PM	300
21 Oct 07	baseball	Sports Field	San Francisco Little League	9AM	5PM	50
21 Oct 07	Wedding	Chapel/Casa	Rhea Durr/Eric Bailey	3PM	11PM	180
22 Oct 07	retreat	Casa de la Vista	SF Entertainment Commission	9.30AM	4.30PM	25
22 Oct 07		Chapel Lot	Chicken Hooray	2PM	9PM	

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Agenda Item Nos. 8(b) & 8(c) **October 10, 2007**

Subject: Resolution Approving the Fifth Amendment to the Exclusive Negotiating Agreement with Treasure Island Enterprises, LLC to Extend the Time for Exclusive Negotiations for the Redevelopment of the Treasure Island Marina *(Action Item)*

Resolution Approving a Second Addendum to the Term Sheet for the Disposition and Development Agreement and Ground Lease between the Treasure Island Development Authority and Treasure Island Enterprises, LLC for the Redevelopment of the Treasure Island Marina *(Action Item)*

Contact Jack Sylvan, Office of Base Reuse and Development

BACKGROUND

The Authority originally intended that the redevelopment of the Treasure Island marina would precede master development of the remainder of former Naval Station Treasure Island. Consequently, on January 21, 1998, the Authority issued a Request for Proposals (RFP) related to the development and expansion of the Treasure Island Marina. Based on that RFP process, on February 10, 1999, the Authority authorized staff to prepare an Exclusive Negotiating Agreement (ENA) with Treasure Island Enterprises, LLC (TIE), which was executed on June 9, 1999.

To date, the Authority and TIE have completed several milestones including an initial agreement (and subsequent extensions) with TIE for the interim operation of the existing marina, the preparation of a preliminary development concept (PDC) for the marina expansion, and a term sheet. The term sheet outlines all of the key terms and conditions of a Disposition and Development Agreement (DDA) and a long-term lease for the marina. While the TIDA Board has already approved the terms of the DDA and lease, the process of finalizing the DDA has been delayed because of the Navy's failure to transfer the property.

ENA Extension

TIE has requested four previous extensions of the ENA and is requesting a fifth extension to complete the transaction documents. The need for the extension is due to various factors that remain beyond control of TIE, including:

- ***Transfer of the Property from the Navy to the Authority.*** Expansion and development of the marina cannot be implemented until the property is conveyed

from the Navy. As has been reported at prior Authority meetings, the timeline for conveyance has been extended.

- ***Environmental Remediation.*** The boundaries for the expanded marina contain at least one installation restoration (IR) site that may require additional investigation to determine the activities necessary to attain site closure. Until the site receives regulatory clearance (or the Authority takes the parcels via an "early transfer"), the area cannot be conveyed to the Authority.

In the fourth extension, the ENA with TIE was extended to be consistent with the period of exclusive negotiations under the agreement between the Authority and Treasure Island Community Development, LLC (TICD) for the master development of the base. Since that fourth extension, the timeframe of the agreement with TICD has been extended. This fifth amendment to the ENA with TIE would extend the term of exclusive negotiations through December 31, 2008, a timeframe again consistent with the TICD master development negotiations.

The fifth amendment also incorporates a change to reflect a resolution passed by the Authority in October 2005, in which it designated the Office of Base Reuse and Development as the lead negotiator, subject to direction from the Authority Board, in all negotiations with the Navy and the overall redevelopment of Naval Station Treasure Island. As such, the amendment designates the Treasure Island Redevelopment Project Director as the staff person to determine whether TIE is in compliance with its requirements under the agreement.

Second Addendum to Term Sheet

The original term sheet for development and expansion of the Treasure Island Marina, approved by the Authority on November 14, 2001, contemplated that development of the marina would occur in two phases – a first phase waterside expansion, and a later, second phase of landside improvements and facilities timed to synchronize with master development of the entirety of Treasure Island. After approval of the term sheet with TIE, the Authority entered into exclusive negotiations with TICD for master development of the island and initiated a planning process that included the same landside portion that was included in the TIE marina expansion plans.

In order to provide clarity, on November 10, 2004 the Authority approved an Addendum to the TIE term sheet providing that TICD should have the first option to develop the area included in the landside portion of the marina term sheet (Landside Area). It also required TICD to develop this area in a manner consistent with the waterside improvements made by TIE, including sufficient parking, restrooms and support facilities, and utility connections and services, among others. In Fall 2006, the Treasure Island/Yerba Buena Island Citizen's Advisory Board, the Authority Board and the Board of Supervisors endorsed a Development Plan and Term Sheet for the Redevelopment of Naval Station Treasure Island with TICD that included the Landside Area.

The original Addendum provided TICD the first option to develop the Landside Area, but provided that TIE could exercise its right to develop the Landside Area if the DDA between the Authority and TICD was not executed by December 31, 2006. As indicated previously, the exclusive negotiating period with TICD has been extended and significant progress has been made on the master development plans. Accordingly, TIE and the Authority staff wish to revise the Addendum to reflect the evolved development planning timeframe. Like the amendment to the ENA with TIE discussed above, the proposed Second Addendum would continue to provide TICD with the first option to develop the Landside Area, and would provide that the right to develop the area would revert back to TIE if either:

1. TICD does not execute a DDA by December 31, 2008
2. TICD does not commence development of the Landside Area improvements within five years after execution of the master development DDA.

RECOMMENDATION

Staff recommends approval of the extension of the ENA and the term sheet addendum with TIE.

EXHIBITS

A Fifth Amendment to ENA between the Authority and TIE

B Second Addendum to Term Sheet with TIE

land Operations

FILE NO. _____ RESOLUTION NO. _____

[Amendment to Marina Exclusive Negotiating Agreement]

Resolution approving the Fifth Amendment to the Exclusive Negotiating Agreement with Treasure Island Enterprises, LLC, to extend the time for exclusive negotiations for the redevelopment of the Treasure Island Marina.

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over former Naval Station Treasure Island (the "Base"), and (ii), with respect to those portions of the Base which are subject to the public trust for commerce, navigation and fisheries (the "Tidelands Trust"), vested in the Authority the authority to administer the Tidelands Trust as to such property; and,

WHEREAS, The Tidelands Trust prohibits the sale of Tidelands Trust property into private ownership, generally requires that Tidelands Trust property be accessible to the public and encourages public oriented uses of trust property that, among other things, attract people to the waterfront, promote public recreation, protect habitat and preserve open space; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and,

WHEREAS, Under the Act and the Authority's Articles of Incorporation and Bylaws, the Authority, acting by and through its Board of Directors, has the power, subject to applicable laws, to sell, lease, exchange, transfer, convey or otherwise grant an interest in or right to use or occupy all or any portion of the real property located on the Base; and,

WHEREAS, At its regular meeting on February 10, 1999, the Board of Directors of the Authority adopted Resolution No. 99-09-2/10 authorizing the Executive Director of the

Authority to enter into exclusive negotiations with Treasure Island Enterprises, LLC ("TIE") for the development of the Treasure Island Marina; and,

WHEREAS, Pursuant to Resolution No. 99-20-6/9, on June 22, 1999, the Executive Director of the Authority entered into a 12-month Exclusive Negotiating Agreement with TIE with one 6-month extension option (the "Extension Option") for the redevelopment of the Treasure Island Marina; and,

WHEREAS, The initial 12-month term expired and TIE duly exercised its 6-month Extension Option; and,

WHEREAS, On December 13, 2000, the Authority authorized the Executive Director to extend the term of the ENA for an additional 12 months through December 22, 2001 (Resolution No. 00-43-12/21); and,

WHEREAS, On November 14, 2001, the Authority authorized the Executive Director to extend the term of the ENA for an additional 18 months through June 22, 2003 (Resolution No. 01-79-11/14); and,

WHEREAS, On May 14, 2003, the Authority authorized the Executive Director to extend the term of the ENA for an additional 18 months through December 22, 2004 (Resolution No. 03-130-5/14); and,

WHEREAS, After issuing a request for proposals, the Authority entered into another exclusive negotiating agreement with Treasure Island Community Development, LLC ("TICD") for the master development of the remainder of the Base; and,

WHEREAS, On November 10, 2004, the Authority authorized the Executive Director to execute an amendment to the ENA that (1) extended the term of the Extension Option under Section 4(a) of the ENA until the earlier to occur of the date that (i) the Authority and TIE enter into a disposition and development agreement for the Marina, (ii) the ENA is earlier terminated pursuant to the terms of the ENA, or (iii) the expiration of the term of the exclusive negotiating

agreement between the Authority and TICD (the "TICD ENA"), which at the time was scheduled to terminate on December 31, 2005; and (2) extended the "Upset Date" for the ENA extension right under Section 4(b) of the ENA until six (6) months after termination of the TICD ENA (Resolution No. 04-201-11/10); and,

WHEREAS, In 2006, the Treasure Island Citizens' Advisory Board, the Authority Board of Directors, and the San Francisco Board of Supervisors each endorsed the Development Plan and Term Sheet for the Redevelopment of Treasure Island; and,

WHEREAS, The transfer of the property from the Navy, which will enable the expansion of the Marina, has not yet been consummated; and,

WHEREAS, The adoption of a redevelopment plan for the Base has been delayed until the necessary additional environmental review for the master development plan can be completed; and,

WHEREAS, The Authority staff recommends that the term of the Extension Option under Section 4(a) of the ENA be extended until the earlier to occur of the date that (i) the Authority and TIE enter into a disposition and development agreement for the Marina, (ii) the ENA is earlier terminated pursuant to the terms of the ENA, or (iii) December 31, 2008, which is the termination date for the TICD ENA; and,

WHEREAS, The Authority staff also recommends that the Upset Date for the extension rights granted under Section 4(b) of the ENA be extended until June 30, 2009; now therefore, be it

RESOLVED, That the Board of Directors hereby approves and authorizes the President of the Board of Directors to execute a Fifth Amendment to the Exclusive Negotiating Agreement substantially the form attached hereto as Exhibit A.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on October 10, 2007.

_____
Owen Stephens,
Secretary

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FIFTH AMENDMENT TO

EXCLUSIVE NEGOTIATING AGREEMENT

THIS FIFTH AMENDMENT TO EXCLUSIVE NEGOTIATING AGREEMENT (this "Fifth Amendment") is made and entered into as of the 10th day of October, 2007, by and between the TREASURE ISLAND DEVELOPMENT AUTHORITY ("Authority"), a public body, corporate and politic created pursuant to the laws of the State of California, and TREASURE ISLAND ENTERPRISES, LLC, a California limited liability corporation ("Developer"). (Collectively, the Authority and the Developer shall be referred to as the "Parties").

RECITALS

WHEREAS, the Authority and the Developer are parties to that certain Exclusive Negotiating Agreement dated June 22, 1999 (the "Original Agreement") pursuant to which the Parties agreed, among other things, to negotiate in good faith with each other to enter into (i) a Disposition and Development Agreement ("DDA") and any related Ground Leases related to the development and expansion of the Treasure Island Marina ("Marina"), (ii) a Sublease for the interim operation of the Marina, and (iii) any other necessary transaction documents (collectively, the "Transaction Documents"); and,

WHEREAS, the initial term of the Agreement was for one year with one six-month extension option (the "Extension Option"), and the Developer duly exercised its Extension Option in accordance with the Original Agreement; and,

WHEREAS, the Parties have entered into the First Amendment, Second Amendment, Third Amendment and Fourth Amendment to Exclusive Negotiating Agreement to further extend the term; and,

WHEREAS, the Original Agreement, as modified by the First Amendment, Second Amendment, Third Amendment and Fourth Amendment to Exclusive Negotiating Agreement, are collectively referred to in this Fifth Amendment as the "Agreement"; and,

WHEREAS, capitalized terms not otherwise defined in this Fifth Amendment shall have the meanings given in the Agreement; and,

WHEREAS, in 2006, the Treasure Island Citizens Advisory Board, the Authority's Board of Directors and the San Francisco Board of Supervisors each endorsed the Development Plan and Term Sheet for the Redevelopment of Naval Station Treasure Island; and,

WHEREAS, due to circumstances beyond Developer's control, including the completion of any necessary environmental review of the master development plan for the Base, (i) the transfer of the Property from the Navy, which will enable the expansion of the Marina, has not been consummated, (ii) the redevelopment plan for the Base has not been adopted, and (iii) the Parties have not completed the Transaction Documents; and,

WHEREAS, the Parties wish to further extend the term of the Agreement.

NOW THEREFORE, the Authority and the Developer agree as follows:

1. All references in the Agreement to "Executive Director" are hereby amended to read "Treasure Island Redevelopment Project Director."

2. The last two sentences of Subsection 4(a) of the Agreement are hereby deleted in their entirety and replaced with the following:

> "If the Developer has duly exercised the Developer's Extension Option pursuant to this subsection 4(a), is not in default under this Agreement, and no event shall have occurred which, with the giving of notice or the passage of time, or both, would constitute such a default, the Treasure Island Redevelopment Project Director shall extend the period of such Extension Option until the earlier to occur of (i) the date that the Authority and the Developer enter into a DDA for the Marina, (ii) the Agreement is earlier terminated pursuant to the terms of the Agreement, or (iii) December 31, 2008; provided, that the Treasure Island Redevelopment Project Director determines that the inability to complete the Transaction Documents within the initial term as extended by the Extension Option was beyond the Developer's control. Except as otherwise provided in Section 4(b) below, no further extensions beyond the Extension Option described in this Section are permitted under this Agreement."

3. The last paragraph in subsection 4(b) of the Agreement is hereby amended to read as follow:

> "The foregoing notwithstanding, in no event shall the term of the Exclusive Right continue beyond June 30, 2009 (the "Upset Date")."

4. Except as otherwise expressly amended by this Fifth Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Authority and the Developer have duly executed and delivered this Fifth Amendment as of the date first written above.

AUTHORITY:

TREASURE ISLAND DEVELOPMENT AUTHORITY, a non-profit, public benefit corporation

By: _____
Name: _____
Its: _____

DEVELOPER:

TREASURE ISLAND ENTERPRISES, LLC, a California limited liability company

By: OA3, LLC, a California limited liability corporation

By _____
Name: _____
Its: _____

APPROVED AS TO FORM:

Dennis J. Herrera,
City Attorney

By _____
Eileen M. Malley
Deputy City Attorney

FILE NO. _____ RESOLUTION NO. _____

[Addendum to Marina Term Sheet]

Approving a Second Addendum to the Term Sheet for the Disposition and Development Agreement and Ground Lease between the Treasure Island Development Authority and Treasure Island Enterprises, LLC, for the redevelopment of the Treasure Island Marina.

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over former Naval Station Treasure Island (the "Base"), and (ii), with respect to those portions of the Base which are subject to the public trust for commerce, navigation and fisheries (the "Tidelands Trust"), vested in the Authority the authority to administer the Tidelands Trust as to such property; and,

WHEREAS, The Tidelands Trust prohibits the sale of Tidelands Trust property into private ownership, generally requires that Tidelands Trust property be accessible to the public and encourages public oriented uses of trust property that, among other things, attract people to the waterfront, promote public recreation, protect habitat and preserve open space; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and,

WHEREAS, Under the Act and the Authority's Articles of Incorporation and Bylaws, the Authority, acting by and through its Board of Directors, has the power, subject to applicable laws, to sell, lease, exchange, transfer, convey or otherwise grant an interest in or right to use or occupy all or any portion of the real property located on the Base; and,

WHEREAS, On February 17, 1999, the Board of Directors of the Authority authorized the Executive Director of the Authority to enter into exclusive negotiations with Treasure Island Enterprises, LLC ("TIE") for the redevelopment of the Treasure Island Marina; and,

WHEREAS, On June 22, 1999, the Executive Director of the Authority entered into a 12-month Exclusive Negotiating Agreement (the "Marina ENA") with TIE with one 6-month extension option (the "Extension Option") for the redevelopment of the Treasure Island Marina; and,

WHEREAS, The initial 12-month term expired and TIE duly exercised its Extension Option; and,

WHEREAS, On November 4, 2001, the Authority approved a detailed term sheet (the "Marina Term Sheet") as the basis for a Disposition and Development Agreement and Ground Lease for the redevelopment of a new Marina in Clipper Cove, including certain landside improvements (the "Phase II Landside Improvements"); and,

WHEREAS, After issuing a request for proposals, the Authority entered into another exclusive negotiating agreement (the "TICD ENA") with Treasure Island Community Development, LLC ("TICD") for the master development of the remainder of the Base; and,

WHEREAS, On November 10, 2004, the Authority approved an Addendum to the Marina Term Sheet (the "First Addendum") that subordinates TIE's rights to develop the Phase II Landside Improvements to any rights granted to TICD to develop the area on which the Phase II Landside Improvements were contemplated to be developed; and,

WHEREAS, The subordination of TIE's rights to develop the Phase II Landside Improvements is subject to certain terms and conditions set forth in the First Addendum, including the condition under Section 2(a) of the First Addendum that the Disposition and Development Agreement with TICD (the "TICD DDA") shall be executed no later than December 31, 2006; and,

WHEREAS, In 2006, the Treasure Island Citizens' Advisory Board, the Authority Board of Directors, and the San Francisco Board of Supervisors each endorsed the Development Plan and Term Sheet for the Redevelopment of Treasure Island; and,

WHEREAS, The Authority staff recommends that the addendum be modified to reflect the currently established outside date for execution of the TICD DDA, as set forth in Section 2(a) of the First Addendum, be extended to December 31, 2008, which is the termination date of the TICD ENA; now therefore, be it

RESOLVED, That the Board of Directors hereby approves the Second Addendum to the Marina Term Sheet and authorizes the President of the Board of Directors to execute such Second Addendum in substantially the form attached hereto as Exhibit A.

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CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on October 10, 2007.

_____

Owen Stephens, Secretary

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Second Addendum to

Term Sheet

This Second Addendum to Term Sheet ("Second Addendum") is executed as of October 10, 2007, between the Treasure Island Development Authority (the "Authority") and Treasure Island Enterprises, LLC ("TIE"), with respect to and as an amendment to that certain Term Sheet dated November 8, 2000 (the "Original Term Sheet"), as amended to the Addendum to Term Sheet dated as of November 10, 2004 (the "First Addendum"), summarizing the basic terms of a proposed lease disposition and development agreement ("DDA") between the Authority and TIE for the development of the Treasure Island Marina (the "Marina") pursuant to an Exclusive Negotiating Agreement between the Authority and TIE for the Marina ("ENA"). The Original Term Sheet and the First Addendum are collectively referred to herein as the "Term Sheet." Capitalized terms not otherwise defined in this Second Addendum shall have the meaning given in the Term Sheet. This Second Addendum amends the Term Sheet, and to the extent that any provisions of the Term Sheet are inconsistent or conflict with the provisions of this Second Addendum, the provisions of this Second Addendum shall govern and supercede any such inconsistent provisions of the Term Sheet.

Facts

This Second Addendum is made with reference to the following facts:

A. The ENA and Term Sheet provide for a DDA and Ground Lease of certain land and water areas on Treasure Island and in Clipper Cove for the development of the Marina in two phases: (i) the Phase I Waterside Improvements, and (ii) the Phase II Landside Improvements, all in substantial accordance with a preliminary development concept attached as Exhibit A to the Term Sheet.

B. The Original Term Sheet provides that TIE shall have an option to develop the Phase II Landside Improvements once (i) TIE has completed the Phase I Waterside Improvements, (ii) the Master Developer has completed certain infrastructure improvements to Treasure Island known as the Basic Base Improvements or, in the alternative, that TIE agrees to provide the same, and (iii) other conditions set forth in the Original Term Sheet have been satisfied.

C. Subsequent to approving the Original Term Sheet, the Authority entered into an exclusive negotiating agreement ("TICD ENA") with Treasure Island Community Development, LLC ("TICD") to be the "Master Developer" of the former Naval Station Treasure Island (the "Base"). The TICD ENA contemplates the execution of a disposition and development agreement ("TICD DDA") between the Authority and TICD for the master development of the Base. Some of TICD's preliminary plans may have conflicted with the provision for Phase II Landside Improvements in the Original Term Sheet. The Authority and TIE executed the First Addendum to eliminate such potential conflicts and provide TICD the first option to develop the area allocated for the Phase II Landside Improvements in a manner that will be consistent with development by TIE of the Phase I Waterside Improvements for the Marina.

D. TICD's first option to develop the area allocated for the Phase II Landside Improvements is subject to certain terms and conditions described in the First Addendum,

including the condition that the TICD DDA shall have been executed no later than December 31, 2006 (the "TICD DDA Completion Date").

E. In 2006, the Treasure Island Citizens Advisory Board, the Authority's Board of Directors and the San Francisco Board of Supervisors each endorsed the Development Plan and Term Sheet for the Redevelopment of Naval Station Treasure Island.

F. The parties desire to amend the Term Sheet to extend the TICD DDA Completion Date until December 31, 2008, which is the expiration date of the TICD ENA.

Agreement

In consideration of the foregoing facts, the Authority and TIE hereby amend the Term Sheet as set forth in this Second Addendum.

1. Section 2 (a) of the First Addendum is hereby deleted in its entirety and replaced with the following:

"(a) that the TICD DDA shall be executed no later than December 31, 2008;"

2. This Second Addendum amends the Term Sheet, and to the extent that any provisions of the Term Sheet are inconsistent or conflict with the provisions of this Second Addendum, the provisions of this Second Addendum shall govern the drafting of the DDA and supercede any such inconsistent provisions of the Term Sheet. Except as expressly amended by this Second Addendum, all of the terms and conditions of the Term Sheet shall remain in full force and effect.

Read and approved by:

AUTHORITY:

TREASURE ISLAND DEVELOPMENT AUTHORITY, a non-profit, public benefit corporation

By: _____
Name: _____
Its: _____

TIE:

TREASURE ISLAND ENTERPRISES, LLC a California limited liability company

By: OA3, LLC, a California limited liability corporation

By _____
Name: _____
Its: _____

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Agenda Item No. 8(d) **October 10, 2007**

Subject: **Resolution Approving and Authorizing the Director of Island Operations to Execute an Agreement with the Red Cross of America for the Use of the Treasure Island Administration Building Lobby as an Emergency Shelter Location**

Staff Contact/Phone: Mirian Saez, Director of Island Operations
(415) 274-0660

SUMMARY OF PROPOSED ACTION
This item seeks the approval of the Authority's Board of Directors to execute and enter into an agreement with the Red Cross of America for the use of the Treasure Island Administration Building Lobby as an emergency shelter location. Execution is subject to approval of the Agreement by the City's Risk Manager.

BACKGROUND:
The City and County of San Francisco's Department of Emergency Management's (DEM) Shelter Database currently considers three buildings on Treasure Island suitable for care and sheltering purposes in the event of an emergency or disaster which would cause the displacement of Island residents: the Administration Building Lobby, the Nimitz Conference Center and the Treasure Island Gymnasium. DEM's care and shelter planning considers the Red Cross the lead agency for care and shelter activities in emergency scenarios large and small, from an individual house fire to a large scale disaster such as an earthquake.

The Administration Building is part of the stock of buildings under the control of the Treasure Island Development Authority through its Master Lease with the Navy. As such the proposed Agreement formalizes the relationship between the Authority as Master Sublandlord and the Red Cross for the use of the Administration Building Lobby as a care and shelter location in the event the facility is needed. The facility would be activated and operated as a shelter location, by Red Cross employees and trained Red Cross Volunteers, only when deemed necessary by DEM and the Red Cross. Management and operation of the facility would follow the protocols set forth in the Agreement. The form of the agreement is standard and used by the Red Cross with various facilities throughout San Francisco. The agreement contemplates responsibilities and protocols for the activation and operation of a shelter which are consistent with both the Red Cross and DEM's standard procedures for shelter operations. The City's Office of Risk Management is currently reviewing the Agreement, and execution of this Agreement by the Director of Island Operations is dependent upon approval of the document by the Office of Risk Management.

RECOMMENDATION:
Staff recommends approval of the agreement with the Red Cross as stated above and subject to approval by the Office of Risk Management.

Prepared by Peter Summerville
for Mirian Saez, Director of Island Operations

[Approval of an agreement with the Red Cross]

Resolution Approving and Authorizing the Director of Island Operations to Execute an Agreement with the Red Cross of America for the Use of the Administration Building Lobby as an Emergency Shelter Location.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America (the "Navy"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, The Authority has entered into a Master Lease with the United States Navy for certain properties located on former Naval Station Treasure Island, including the Administration Building; and,

WHEREAS, The Department of Emergency Management lists the Administration Building as a viable shelter care facility in its Citywide emergency care and shelter planning elements; and,

WHEREAS, The Department of Emergency Management considers the Red Cross as the lead agency for care and shelter operations during disaster and emergency situations; and,

WHEREAS, As the Sublandlord responsible for properties on Treasure Island including the Administration Building the Authority wishes to formalize the relationship with the Red Cross should it be necessary for the Administration Building to be used as a shelter facility; now therefore, be it

RESOLVED, That the Board of Directors hereby approves and authorizes the Director of Island Operations to execute and enter into an Agreement with the Red Cross of America for the use of the Administration Building as an emergency shelter facility, which Agreement shall be substantially in the form attached hereto as Exhibit A; and, be it

FURTHER RESOLVED, That execution of this Agreement by the Director of Island Operations shall be subject to approval of the Agreement by the City of San Francisco Office of Risk Management; and be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into any additions, amendments or other modifications to the Agreement that the Director of Island Operations determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to perform the services under the Agreement, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on October 10, 2007.

Owen Stephens, Secretary

AGREEMENT TO PERMIT THE USE OF A FACILITY AS A RED CROSS EMERGENCY SHELTER

Authority: Treasure Island Development Authority

Authority's 24 Hour Point of Contact (name and cell phone number)

Primary: Mirian Saez, Director of Island Operations (415) 819-5829, (202) 256-1936

Alternate: Peter Summerville, (415) 740-8488, (415) 994-5450

Authority's Address for Legal Notices: Treasure Island Development Authority
410 Avenue of the Palms, Building 1, 2nd Floor
Treasure Island
San Francisco, CA 94130

Effective Date: Upon execution.

Expiration Date: Authority or Red Cross may terminate the agreement at any time upon 30 days' notice. In addition, this agreement will terminate automatically and without notice upon the expiration or earlier termination of the Master Lease.

Facility: Treasure Island Administration Building (aka Building 1) Lobby Space

Master Lease: Master Lease dated September 4, 1998, as amended from time to time, between Owner, as landlord, and the Authority, as tenant, under which Owner leases the Facility to the Authority.

Owner: United States of America, acting by and through the Department of Navy

Red Cross: The American National Red Cross, a not-for profit corporation under the laws of the United States.

Red Cross 24 Hour Point of Contact (name and cell phone number)

Primary: Kevin Kellenberger, 415-279-7082

Alternate: John Ruiz, 415-297-4806

Red Cross Address for Legal Notices: The American Red Cross, Bay Area Chapter, 85 2nd Street, San Francisco, CA 94105 with a copy to The American National Red Cross, Office of the General Counsel, 2025 E Street, N.W., Washington, D.C. 20006 and with a copy to The American National Red Cross, Disaster Operations, 2025 E Street, N.W., Washington, D.C. 20006;

Red Cross Address for Invoices: The American Red Cross, Bay Area Chapter, 85 2nd Street, San Francisco, CA 94105, with a copy to: Facilities Associate, Field Logistics, The American National Red Cross, Disaster Response 2025 E Street, Washington, D.C. 20006.

Name and Address of Shelter:

Treasure Island Administration Building Lobby Space
Building 1
410 Avenue of the Palms
Treasure Island
San Francisco, CA 94130

AUTHORITY:	**RED CROSS:**
Treasure Island Development Authority	The American National Red Cross
By: _____	By: _____
Name: Mirian Saez	Name: _____
Title: Director of Island Operations	Title: Chapter CEO
	******* Chapter
Date: _____	Date: _____

TERMS AND CONDITIONS

This Agreement is made for the temporary use of a facility designated by Authority for use as a public shelter during a declared or undeclared natural disaster or other condition or event requiring the activation of the disaster relief functions of The American National Red Cross (referred to as an "Emergency"). The parties desire to reach an understanding that will result in providing the facility owned by the Owner and leased to the Authority, to the Red Cross to operate an emergency shelter for the benefit of the local and surrounding communities.

1. Authority's Responsibilities.

(a) Authority has identified the facility, and Red Cross has determined that the facility may be suitable for use as a public shelter, or staging area, or for other purposes in connection with disaster relief operations. (The facility is referred to as the "Shelter"). Upon request by the Red Cross (which may be made orally or in writing) Authority will make the facility available to Red Cross for use as a Shelter.

(b) Authority will appoint a person to coordinate the Authority's activities (This individual is referred to as the Authority's "Facility Coordinator"). The Facility Coordinator will coordinate the use of the Shelter with the Red Cross's designated official. (The Red Cross official is referred to as the "Shelter Manager"). The Facility Coordinator and the Shelter Manager will collaborate to resolve questions regarding Shelter operations. The Facility Coordinator and the Shelter Manager will jointly conduct a pre-inspection survey of the Shelter before it is turned over to the Red Cross. The pre-inspection survey, attached as Exhibit A, will be used to identify and record any existing damage or conditions. The Facility Coordinator will secure all equipment that is not supposed to be used by the Red Cross in the operation of the Shelter.

(c) The Facility Coordinator will, on request and if feasible, designate a "Foodservice Manager" to establish a feeding schedule and determine foodservice inventory and supply needs. The Facility Coordinator also will, on request and if feasible, designate a Facility Custodian, to establish and direct the sanitation inventory and supply needs. The Shelter Manager and the Facility Coordinator will jointly coordinate a work schedule for any personnel who are not Red Cross employees, volunteers, or contractors. If it is not feasible for one or both of a Foodservice Manager or a Facility Custodian to be designated by the Facility Coordinator, the Facility Coordinator will inform the Shelter Manager, who may obtain such services by contract.

(d) At the direction of and in cooperation with the Shelter Manager, the Foodservice Manager will assist the Shelter Manager in providing the food and supplies needed for meals at the Shelter site. If, in the opinion of the Shelter Manager, additional food or supplies are needed, the Shelter Manager will coordinate the procurement of the additional food or supplies. Red Cross will pay or reimburse Authority for all food and supplies as approved by the Shelter Manager and used in the course of operating the Shelter.

(e) The Facility Custodian will assist the Shelter Manager in providing sanitation services and supplies for custodial care at the Shelter as directed by the Shelter Manager. The Facility Coordinator or Facility Custodian will order and provide all additional sanitation and custodial supplies and services as shall be determined by the Shelter Manager. Red Cross will pay or reimburse Authority for all sanitation supplies as approved by the Shelter Manager and used in the course of operating the Shelter.

(g) Red Cross is not responsible for police or public safety at the Shelter. Any private security services that are to be the responsibility of Red Cross must be arranged under a separate agreement. Shelter population shall be exclusively the role of Red Cross. Authority shall not distribute or reveal any information concerning occupants of a Shelter without the express written consent of the Shelter Manager except to the extent required by federal, state or local laws. No press releases regarding sheltering at the Facility shall be disseminated without the express written consent of the Authority and the Shelter Manager except to the extent required by applicable federal, state or local laws.

(h) Within thirty (30) days after the close of a Shelter, the Facilities Coordinator shall submit to the Red Cross all invoices to the address above. Invoice backup must include a list of the Shelter operations personnel and hours worked at the Shelter, and details on any materials or goods used or consumed.

2. Red Cross's Obligations.

(a) The Red Cross Shelter Manager has primary responsibility for the operation of the Shelter. Red Cross will provide additional Red Cross staff and volunteers to carry out the activities of the Shelter. Red Cross will post signs identifying the Shelter. Red Cross will remove all Red Cross signs when the Shelter is closed. Red Cross and all of its agents, and employees, and volunteers will exercise reasonable care in the operation of any Shelter.

(b) Red Cross shall not make any alterations to the Facility without the prior written consent of Owner and the Authority. Without limiting the generality of the foregoing, Red Cross acknowledges and agrees that no alterations may be made to any improvements on the Facility (i) that will affect the historic characteristics of the improvements or modify the appearance of the exterior of the improvements, or (ii) if such alterations would preclude qualifying the improvements for inclusion on the National Register for Historic Places.

(c) Storm damage or other damage caused by the Emergency is not the responsibility of Red Cross. Red Cross reimburses personnel costs at actual current per hour straight time rate for instruction, custodial, maintenance, and food service. Red Cross will reimburse Authority for the reasonable actual out-of-pocket costs and expenses for operational expenses, including the replacement of food, supplies, equipment. Property damaged, lost or stolen due to the negligence of Red Cross will be compensated based on depreciated actual cash value. Reimbursement for any extraordinary or capital expenses (including without limitation painting, carpeting, wiring, and structural work) will be limited to replacement at actual cash value of the property. In such cases, Red Cross will select from among bids from at least three reputable contractors.

(d) Red Cross will notify the Authority or Facilities Coordinator of the closing schedule for the Shelter. After the Shelter has been closed, the Facility Coordinator and the Shelter Manager will conduct a post-disaster facilities survey to ensure that the Shelter is returned to the Authority in the same condition as it was when it was opened, ordinary wear and tear excepted. The form to be used for this post-operation survey is Form 6556 (Release of Facility) attached as Exhibit B.

3. Insurance Requirements.

(a) During the term of this Agreement, the American Red Cross shall maintain commercial general liability insurance and automobile insurance with individual limits of not less than one million dollars. Red Cross will provide Authority electronic access to the Red Cross Memorandum of Insurance.

4. Subject to Master Lease. This Agreement is subject and subordinate to the terms and conditions of the Master Lease. A copy of the Master Lease and lease amendments are attached hereto as Exhibit C.

Exhibits A and B

Exhibit A: https://crossnet.redcross.org/office/forms/disaster_6564_shelter_Shelter-survey.dot

Exhibit B: https://crossnet.redcross.org/forms/disaster_6556_release_of_Shelter.pdf

Exhibit C: Master Lease and amendments

American Red Cross

RELEASE OF FACILITY

This is to certify that the _____
(Name)

_____
(Address)

_____
(Telephone)

controlled, owned or operated by _____ and used temporarily by the American Red Cross, DR #_____, _____ as an emergency disaster facility from
(#) (Name)

_____ to _____, is hereby returned by the American Red Cross to _____

in a satisfactory condition, less the following deficiencies:

_____	_____
Signature of Owner/Operator	Signature of American Red Cross Representative
_____	_____
Printed Name & Title	Printed Name & Title
_____	_____
Date	Date

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Agenda Item No. 8(e) **October 10, 2007**

Subject: **Resolution Approving and Authorizing the Director of Island Operations to Execute an Agreement with the Red Cross of America for the Use of the Nimitz Conference Center, aka Building 140, as an Emergency Shelter Location**

Staff Contact/Phone: Mirian Saez, Director of Island Operations
(415) 274-0660

SUMMARY OF PROPOSED ACTION
This item seeks the approval of the Authority's Board of Directors to execute and enter into an agreement with the Red Cross of America for the use of the Nimitz Conference Center, aka Building 140, as an emergency shelter location. Execution of the Agreement is subject to approval of the Office of Risk Management.

BACKGROUND:
The City and County of San Francisco's Department of Emergency Management's (DEM) Shelter Database currently considers three buildings on Treasure Island suitable for care and sheltering purposes in the event of an emergency or disaster which would cause the displacement of Island residents: the Administration Building Lobby, the Nimitz Conference Center and the Treasure Island Gymnasium. DEM's care and shelter planning considers the Red Cross the lead agency for care and shelter activities in emergency scenarios large and small, from an individual house fire to a large scale disaster such as an earthquake.

The Nimitz Conference Center is part of the stock of buildings under the control of the Treasure Island Development Authority through its Master Lease with the Navy. As such the proposed Agreement formalizes the relationship between the Authority as Master Sublandlord and the Red Cross for the use of the Nimitz Conference Center as a care and shelter location in the event the facility is needed. The facility would be activated and operated as a shelter location only when deemed necessary by DEM and the Red Cross. Management and operation of the facility would follow the protocols set forth in the Agreement. The form of the agreement is standard and used by the Red Cross with various facilities throughout the City. The agreement contemplates responsibilities and protocols for the activation and operation of a shelter which are consistent with both the Red Cross and DEM's standard procedures for shelter operations. The Office of Risk Management is currently reviewing the Agreement, and execution by the Director of Island Operations would be subject to approval of the document by Risk Management.

RECOMMENDATION:
Staff recommends approval of the agreement with the Red Cross as stated above, subject to approval by the Office of Risk Management.

Prepared by Peter Summerville
for Mirian Saez, Director of Island Operations

[Approval of an agreement with the Red Cross]

Resolution Approving and Authorizing the Director of Island Operations to Execute an Agreement with the Red Cross of America for the Use of the Nimitz Conference Center, aka Building 140, as an Emergency Shelter Location.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America (the "Navy"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, The Authority has entered into a Master Lease with the United States Navy for certain properties located on former Naval Station Treasure Island, including the Nimitz Conference Center, also known as Building 140; and,

WHEREAS, The Department of Emergency Management lists the Nimitz Conference Center as a viable shelter care facility in its Citywide emergency care and shelter planning elements; and,

WHEREAS, The Department of Emergency Management considers the Red Cross as the lead agency for care and shelter operations during disaster and emergency situations; and,

WHEREAS, As the Sublandlord responsible for properties on Treasure Island including the Nimitz Conference Center the Authority wishes to formalize the relationship with the Red Cross should it be necessary for the Nimitz Conference Center to be used as a shelter facility; now therefore, be it

RESOLVED, That the Board of Directors hereby approves and authorizes the Director of Island Operations to execute and enter into an Agreement with the Red Cross of America for the use of the Nimitz Conference Center, aka Building 140, as an emergency shelter facility, which Agreement shall be substantially in the form attached hereto as Exhibit A; and, be it

FURTHER RESOLVED, That execution of this Agreement by the Director of Island Operations shall be subject to approval of the Agreement by the City of San Francisco Office of Risk Management; and be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into any additions, amendments or other modifications to the Agreement that the Director of Island Operations determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to perform the services under the Agreement, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on October 10, 2007.

_____
Owen Stephens, Secretary

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AGREEMENT TO PERMIT THE USE OF A FACILITY AS A RED CROSS EMERGENCY SHELTER

Authority: Treasure Island Development Authority

Authority's 24 Hour Point of Contact (name and cell phone number)

Primary: Mirian Saez, Director of Island Operations (415) 819-5829, (202) 256-1936

Alternate: Peter Summerville, (415) 740-8488, (415) 994-5450

Authority's Address for Legal Notices: Treasure Island Development Authority
410 Avenue of the Palms, Building 1, 2nd Floor
Treasure Island
San Francisco, CA 94130

Effective Date: Upon execution.

Expiration Date: Authority or Red Cross may terminate the agreement at any time upon 30 days' notice. In addition, this agreement will terminate automatically and without notice upon the expiration or earlier termination of the Master Lease.

Facility: Treasure Island Nimitz Conference Center (aka Building 140)

Master Lease: Master Lease dated September 4, 1998, as amended from time to time, between Owner, as landlord, and the Authority, as tenant, under which Owner leases the Facility to the Authority.

Owner: United States of America, acting by and through the Department of Navy

Red Cross: The American National Red Cross, a not-for profit corporation under the laws of the United States.

Red Cross 24 Hour Point of Contact (name and cell phone number)

Primary: Kevin Kellenberger, 415-279-7082

Alternate: John Ruiz, 415-297-4806

Red Cross Address for Legal Notices: The American Red Cross, Bay Area Chapter, 85 2nd Street, San Francisco, CA 94105 with a copy to The American National Red Cross, Office of the General Counsel, 2025 E Street, N.W., Washington, D.C. 20006 and with a copy to The American National Red Cross, Disaster Operations, 2025 E Street, N.W., Washington, D.C. 20006;

Red Cross Address for Invoices: The American Red Cross, Bay Area Chapter, 85 2nd Street, San Francisco, CA 94105, with a copy to: Facilities Associate, Field Logistics, The American National Red Cross, Disaster Response 2025 E Street, Washington, D.C. 20006.

Name and Address of Shelter:

Treasure Island Nimitz Conference Center
Building 140, California Avenue
Treasure Island
San Francisco, CA 94130

AUTHORITY:	**RED CROSS:**
Treasure Island Development Authority	The American National Red Cross
By: _____	By: _____
Name: Mirian Saez	Name: _____
Title: Director of Island Operations	Title: Chapter CEO
	******* Chapter
Date: _____	Date: _____

TERMS AND CONDITIONS

This Agreement is made for the temporary use of a facility designated by Authority for use as a public shelter during a declared or undeclared natural disaster or other condition or event requiring the activation of the disaster relief functions of The American National Red Cross (referred to as an "Emergency"). The parties desire to reach an understanding that will result in providing the facility owned by the Owner and leased to the Authority, to the Red Cross to operate an emergency shelter for the benefit of the local and surrounding communities.

1. Authority's Responsibilities.

(a) Authority has identified the facility, and Red Cross has determined that the facility may be suitable for use as a public shelter, or staging area, or for other purposes in connection with disaster relief operations. (The facility is referred to as the "Shelter"). Upon request by the Red Cross (which may be made orally or in writing) Authority will make the facility available to Red Cross for use as a Shelter.

(b) Authority will appoint a person to coordinate the Authority's activities (This individual is referred to as the Authority's "Facility Coordinator"). The Facility Coordinator will coordinate the use of the Shelter with the Red Cross's designated official. (The Red Cross official is referred to as the "Shelter Manager"). The Facility Coordinator and the Shelter Manager will collaborate to resolve questions regarding Shelter operations. The Facility Coordinator and the Shelter Manager will jointly conduct a pre-inspection survey of the Shelter before it is turned over to the Red Cross. The pre-inspection survey, attached as Exhibit A, will be used to identify and record any existing damage or conditions. The Facility Coordinator will secure all equipment that is not supposed to be used by the Red Cross in the operation of the Shelter.

(c) The Facility Coordinator will, on request and if feasible, designate a "Foodservice Manager" to establish a feeding schedule and determine foodservice inventory and supply needs. The Facility Coordinator also will, on request and if feasible, designate a Facility Custodian, to establish and direct the sanitation inventory and supply needs. The Shelter Manager and the Facility Coordinator will jointly coordinate a work schedule for any personnel who are not Red Cross employees, volunteers, or contractors. If it is not feasible for one or both of a Foodservice Manager or a Facility Custodian to be designated by the Facility Coordinator, the Facility Coordinator will inform the Shelter Manager, who may obtain such services by contract.

(d) At the direction of and in cooperation with the Shelter Manager, the Foodservice Manager will assist the Shelter Manager in providing the food and supplies needed for meals at the Shelter site. If, in the opinion of the Shelter Manager, additional food or supplies are needed, the Shelter Manager will coordinate the procurement of the additional food or supplies. Red Cross will pay or reimburse Authority for all food and supplies as approved by the Shelter Manager and used in the course of operating the Shelter.

(e) The Facility Custodian will assist the Shelter Manager in providing sanitation services and supplies for custodial care at the Shelter as directed by the Shelter Manager. The Facility Coordinator or Facility Custodian will order and provide all additional sanitation and custodial supplies and services as shall be determined by the Shelter Manager. Red Cross will pay or reimburse Authority for all sanitation supplies as approved by the Shelter Manager and used in the course of operating the Shelter.

(g) Red Cross is not responsible for police or public safety at the Shelter. Any private security services that are to be the responsibility of Red Cross must be arranged under a separate agreement. Shelter population shall be exclusively the role of Red Cross. Authority shall not distribute or reveal any information concerning occupants of a Shelter without the express written consent of the Shelter Manager except to the extent required by federal, state or local laws. No press releases regarding sheltering at the Facility shall be disseminated without the express written consent of the Authority and the Shelter Manager except to the extent required by applicable federal, state or local laws.

(h) Within thirty (30) days after the close of a Shelter, the Facilities Coordinator shall submit to the Red Cross all invoices to the address above. Invoice backup must include a list of the Shelter operations personnel and hours worked at the Shelter, and details on any materials or goods used or consumed.

2. Red Cross's Obligations.

(a) The Red Cross Shelter Manager has primary responsibility for the operation of the Shelter. Red Cross will provide additional Red Cross staff and volunteers to carry out the activities of the Shelter. Red Cross will post signs identifying the Shelter. Red Cross will remove all Red Cross signs when the Shelter is closed. Red Cross and all of its agents, and employees, and volunteers will exercise reasonable care in the operation of any Shelter.

(b) Red Cross shall not make any alterations to the Facility without the prior written consent of Owner and the Authority. Without limiting the generality of the foregoing, Red Cross acknowledges and agrees that no alterations may be made to any improvements on the Facility (i) that will affect the historic characteristics of the improvements or modify the appearance of the exterior of the improvements, or (ii) if such alterations would preclude qualifying the improvements for inclusion on the National Register for Historic Places.

(c) Storm damage or other damage caused by the Emergency is not the responsibility of Red Cross. Red Cross reimburses personnel costs at actual current per hour straight time rate for instruction, custodial, maintenance, and food service. Red Cross will reimburse Authority for the reasonable actual out-of-pocket costs and expenses for operational expenses, including the replacement of food, supplies, equipment. Property damaged, lost or stolen due to the negligence of Red Cross will be compensated based on depreciated actual cash value. Reimbursement for any extraordinary or capital expenses (including without limitation painting, carpeting, wiring, and structural work) will be limited to replacement at actual cash value of the property. In such cases, Red Cross will select from among bids from at least three reputable contractors.

(d) Red Cross will notify the Authority or Facilities Coordinator of the closing schedule for the Shelter. After the Shelter has been closed, the Facility Coordinator and the Shelter Manager will conduct a post-disaster facilities survey to ensure that the Shelter is returned to the Authority in the same condition as it was when it was opened, ordinary wear and tear excepted. The form to be used for this post-operation survey is Form 6556 (Release of Facility) attached as Exhibit B.

3. Insurance Requirements.

(a) During the term of this Agreement, the American Red Cross shall maintain commercial general liability insurance and automobile insurance with individual limits of not less than one million dollars. Red Cross will provide Authority electronic access to the Red Cross Memorandum of Insurance.

4. Subject to Master Lease. This Agreement is subject and subordinate to the terms and conditions of the Master Lease. A copy of the Master Lease and lease amendments are attached hereto as Exhibit C.

Exhibits A and B

Exhibit A: https://crossnet.redcross.org/office/forms/disaster_6564_shelter_Shelter-survey.dot

Exhibit B: https://crossnet.redcross.org/forms/disaster_6556_release_of_Shelter.pdf

Exhibit C: Master Lease and amendments

American Red Cross

RELEASE OF FACILITY

This is to certify that the _____
(Name)

_____
(Address)

_____
(Telephone)

controlled, owned or operated by _____ and used temporarily by the American

Red Cross, DR #_____, _____ as an emergency disaster facility from
(#) (Name)

_____ to _____, is hereby returned by the American Red Cross to _____

in a satisfactory condition, less the following deficiencies:

_____	_____
Signature of Owner/Operator	Signature of American Red Cross Representative
_____	_____
Printed Name & Title	Printed Name & Title
_____	_____
Date	Date

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Agenda Item No. 8(f) **October 10, 2007**

Subject: **Resolution Approving Amendments to the Rental Policy for Special Events on Treasure Island and Additions to the Event Venue Rate Schedule (Action Item)**

Contact: Mirian Saez, Director of Island Operations
Phone: 415-274-0660

BACKGROUND

A Rental Policy for Special Events and an Event Venue Rate Schedule were adopted by the Treasure Island Development Authority (the "Authority Board") on February 14, 2007. The Rental Policy provides a consistent and transparent tool for the management of event rentals, as well as serves as a comprehensive structure by which to impartially and effectively execute a Use Permit. The Event Venue Rate Schedule clearly defines the rates associated with the use of the venues as well as ancillary fees related to extra hours and set up days.

In practice over the past eight months, the Director of Island Operations (the "Director") and Project Staff have come across many issues which the original Rental Policy did not address. Due to the wide variety of events that occur on Treasure Island, as well as the ever-changing needs of the clients, Project Staff has notated various amendments necessary to make the Rental Policy as comprehensive as possible.

The need for such amendments to the Rental Policy is inherent in TIDA's mission to allow diverse access to the Island as well as to generate increased revenue. As trends change, requests from clients and constituents also fluctuate. These changes produce issues that cannot always be addressed by any one policy or document. Therefore, the Director seeks to include additional categories of rates so as to have a range of devices to attract new clients and secure the venues for this ever-changing environment.

HIGHLIGHT OF CHANGES

All updates and amendments to the special event rentals have been included in the *Revised* Rental Policy for Special Events, attached as Exhibit A. Several venues have been added to the Event Venue Rate Schedule as new efforts are put in place to market some of the less frequently used facilities, such as the Nimitz Conference Center and the Nimitz House. The main additions and changes that have been incorporated in the Rental Policy are as follows.

1) Short Term Discounts is added to Section F, Negotiated Rates, page 2, so that the Director will have the ability to offer a discounted rate for venues when requested within two months of the proposed date. This timeframe is considered Short Term, as most

wedding clients will have begun planning for an event as early as 12-18 months in advance. The ability to accommodate a last minute request for a venue rental would allow TIDA to generate income from a venue and date that would otherwise go unused. Types of short term requests are typically for press conferences, corporate retreats and meetings, and memorial services.

2) Promotional Rates is added as Section I, page 4, to allow the Director the ability to encourage use of the venues for promotional events which will introduce the venues to a broader scope of event industry professionals. By providing promotional rates for event industry functions, event professionals will be able to become familiar with and experience the venues and, in turn, recommend the venues to their clients. One recent example was the International Special Event Society Gala held in the Main Administration Building which hosted 350 meeting and event planners.

3) Film and Photo Shoot Rates is added as Section J, page 5. The two standard rates, based on still photo shoots or film shoots, have been broken down within each category and are now classified as Minor Shoots or Major Shoots.

Minor film and photo shoots are those that require very few to no support functions, such as the photographer and the subject only, with minimal equipment. Major film and photo shoots are those that require substantial support, such as a film crew, prop, vehicles, generators, lighting, and road closures.

These classifications will allow TIDA to accommodate smaller, low budget shoots, while still generating revenue from larger, more involved shoots.

4) Parking Lot Rates, Section D, page 6, is added to account for the various uses of parking lots on Treasure Island. Many times large events will have additional parking needs and may request use of various lots for auxiliary parking. Parking lots are also used for tents and event festival space. The Parking Lot Rate Schedule shows the available parking lots, the square footage, and the corresponding fees.

5) Ferry Landing Fees, Section E, page 6, is added to accommodate the use of ferries and other vessels landing at Pier 1 on Treasure Island. Requests frequently are received from event producers to make use of ferries to transport guests on and off the Island. The Director would like to encourage the use of ferries so as to alleviate the amount of vehicle traffic brought to the Island.

USE PERMIT

A Use Permit is issued to any individual or entity that uses the buildings, venues, grounds, and property of the Treasure Island Development Authority. The Use Permit, which was drafted in 1998, had not been updated or assessed for compliance with current City standards in many years.

Project Staff has worked with the City Attorney to update the boilerplate Use Permit in an effort to standardize the permit process for event related activity and use of venues, grounds, and property. The content of the document did not change significantly; however, a summary section was added at the beginning of the Use Permit to allow for the pertinent details to be presented in an easily identifiable manner. This new section, entitled Basic Permit Information, alleviates the need to change any descriptive sections

of the boilerplate document and provides a summary of the key business points in the agreement in one section.

The City Attorney also included new language in the boilerplate Use Permit consistent with the most recent language used in such agreements throughout the City. One new section included is the Food Service Waste Reduction and Resource Conservation and Sustainability. It requires entities using TIDA property to do so in a way that practices conservation of natural resources, increases recycling efforts, and reduces waste generated from event productions.

In the past, the boilerplate Use Permit was used for all activity on the Island and no distinction was made for filming or ferry purposes. As the Use Permit was not tailored to include provisions that were appropriate for film related activity or for ferry landing activity, many sections often did not apply or did not correspond with the requirements inherent with a film production or ferry landing.

Utilizing this new boilerplate Use Permit as a guide, Project Staff worked with the City Attorney to establish a Use Permit for Film Production and Film Related Activity, as well as a Landing License for ferry landings. The City Attorney used the use agreements adopted by the San Francisco Film Commission and the Port of San Francisco as models and created documents which include all of the provisions specific to Treasure Island, as well as stipulations required by the US Navy to create a more suitable permit for each of the two activities.

The new standard boilerplate Use Permit for Special Events, the Film Permit for Film Related Activity, and the Landing License are all attached in Exhibit B.

BUDGETARY IMPACT

The changes described above will have no adverse impact on the current year budget.

RECOMMENDATION

Project Staff recommends approval of the amendments to the Rental Policy for Special Events on Treasure Island and the additions to the Event Venue Rate Schedule.

EXHIBITS

Exhibit A: *Revised* Rental Policy for Special Events
Exhibit B: Use Permit for Special Events, Use Permit for Film Production and Related Activities, Landing License

Prepared by: Lori Mazzola, Event Coordinator
For Mirian Saez, Director of Island Operations

[Resolution to Approve Amendments to the Rental Policy for Special Events on Treasure Island and Additions to the Event Venue Rate Schedule]

Resolution Approving Amendments to the Rental Policy for Special Events on Treasure Island and Additions to the Event Venue Rate Schedule

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under the California Redevelopment Law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, The Treasure Island Development Authority manages multiple event venues on Treasure Island and Yerba Buena Island; and,

WHEREAS, Each venue is available for rent by the public at competitive rates that have been established as a result of market surveys; and,

WHEREAS, On February 14, 2007, the Authority's Board of Directors adopted Resolution No. 07-16-02/14 authorizing the Authority to establish a Rental Policy for Special Events and to adopt an Event Venue Rate Schedule; and,

WHEREAS, Various amendments are required to augment the existing Rental Policy for Special Events and to include additional categories of rates which make the Policy and Rate Schedule more comprehensive and inclusive of a wider variety of activity that takes place on Treasure Island; and,

WHEREAS, The adoption of amendments to the Rental Policy for Special Events is essential to provide a consistent and transparent tool for the management of event rentals, as well as to ensure the continued success of events on the Island; now therefore be it

RESOLVED, That the Authority hereby amends the Rental Policy for Special Events on Treasure Island and adopts an Event Venue Rate Schedule in substantially the forms attached hereto as Exhibit A.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at the properly noticed meeting on October 10, 2007.

_____

Owen Stephens, Secretary

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EXHIBIT A

TREASURE ISLAND DEVELOPMENT AUTHORITY

REVISED

RENTAL POLICY FOR SPECIAL EVENTS

The Rental Policy applies to any use of facilities on Treasure Island and Yerba Buena Island for special events. Special events are defined as gatherings of two or more persons for reserved use, public or private, of indoor or outdoor facilities which include, but are not limited to the following.

- Weddings and Domestic Ceremonies; Bar & Bat Mitzvahs; Graduation, Anniversary, and Birthday Parties
- Picnics, Motorcycle Rides, and Marching Band practices
- All Sports and Athletic practices, games, and tournaments
- Corporate events: meetings, conferences, luncheons, dinners, auctions, cocktail parties, holiday events
- Fundraising walks, Triathlons, Bike Races, and water-related sports events
- School dances, art exhibits, and trade shows
- Any public festivals, concerts, musical performances, and open air markets
- City sponsored events

The Rental Policy applies to all applicants, without discrimination with regard to race, color, creed, religion, ethnicity, national origin, ancestry, age, sex, gender identity, sexual orientation, domestic partner status, marital status, HIV status, political affiliation, disability, weight, height, or any other designations prohibited by law.

I. RENTAL RATE CLASSIFICATIONS

The Event Venue Rate Schedule includes standard rates for all use, holiday rates for use of facilities on all major holidays, and non-profit rates for those entities with a 501(c)(3) status. Off peak rates for the Chapel are available during less desirable rental periods. Several discounts are available, including a military discount to all active military personnel and all veterans and a discount on events planned within a short term time period of 2 months prior to the event date. See Exhibit A for the Event Venue Rate Schedule.

A. STANDARD RATES

The standard rates apply to the rental of each venue and include a definitive length of time for each rental period.

B. HOLIDAY RATES

The holiday rates apply to the rental of venues on all major holidays and during the month of December, and incur a 20% increase from the standard rates. This increase in rates reflects the high demand for event space on and around major holidays.

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Holiday rates apply on the following dates:

- February 14
- March 17
- Easter Sunday
- Memorial Day
- July 4
- Labor Day
- October 31
- Thanksgiving Day
- The month of December

C. NON-PROFIT RATES

The non-profit rates, which are a 20% reduction from the standard rates, apply only to those entities with 501(c)(3) status. This reduction in rates proposes to accommodate non-profit entities with generally lower budgets for events and fundraisers.

Those entities requesting approval of the non-profit rate must submit a letter from the nonprofit organization stating that the proposed use of the Treasure Island facilities is in furtherance of the nonprofit organization's purpose and mission for which it obtained tax exemption under Section 501(c)(3) of the United States Internal Revenue Code. A copy of the Internal Revenue Service's written determination that the applicant nonprofit is exempt from taxation under Section 501(c)(3) of the United States Internal Revenue Code is required.

D. OFF-PEAK RATES

Off-peak rates apply to the rental of the Chapel at the hours and days specified below to accommodate the numerous requests for use of the Chapel for Bible study, religious services and community events.

Monday, Tuesday, and Wednesday: at any time
Sunday: from 8:00AM to 12:00PM

The off-peak rate is offered per hour with a three hour minimum.

E: MILITARY DISCOUNT RATES

To accommodate the large number of inquiries for military personnel discounts, a 10% discount is available for active members of the military and all veterans.

F. NEGOTIATED RATES and SHORT TERM DISCOUNTS

While the Event Venue Rate Schedule gives structure to the most common use and application of venues on Treasure Island, such as weddings, picnics, and parties, a variety of miscellaneous use is frequently requested of Project Staff. Many applications received for use of space or facilities cannot fit into the structured framework by which the majority of events typically produced on Treasure Island can adhere.

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Rental rates will often need adjustment based on a variety of atypical circumstances such as press conferences, outdoor festivals, and races or walks utilizing streets and portions of the Island not regularly used. Often considerations in cost can lead to the event producer choosing Treasure Island as an event site over another option.

In some cases, rental rates will call for adjustment so the use of space is not cost prohibitive to a prospective client. This is often the case involving multiple venue use and multiple day use. In these instances, the adjustment in rates may lead to a discount.

Discounts may occasionally be necessary in the case of a request for a rental reservation within a short term time period. Typically, any request for use of space within any current two month period is considered a short term request. These types of short term requests are typically for press conferences, corporate retreats and meetings, and memorial services. The ability to offer a discounted rate for use of a venue that would otherwise generate no revenue on the specific requested date will lead to an increase in overall revenue.

The Director of Island Operations shall evaluate any infrequent and atypical event proposals, as well as any requests for venues within a short term period, and shall decide what discounts will apply. The Director of Island Operations shall, on no less than a quarterly basis, report to the Authority Board on rental rate considerations granted as part of the Director's Report at regularly scheduled meetings.

G. AT-COST RATES

All available properties on Treasure Island and Yerba Buena Island that have been leased to the Treasure Island Development Authority by the United States Navy can be subleased to eligible organizations and entities on an At-Cost Rate. At-Cost refers to the calculated actual cost to provide the facility for use. Each venue will be assigned a predetermined At-Cost Rate based on calculations set forth below.

Calculation of At-Cost Rate:
At-Cost Rate is based on the actual cost of the following services.
-janitorial service to clean the venue before and after use
-garbage disposal and pick up from venue
-landscape services for upkeep around venue
-onsite event staff assignments
-building maintenance and service as provided by DPW
-cost of utilities as provided by PUC
-cost of Project Staff time and materials, including such cost of City Attorney's office, other City departments, contractor, or consultant, as necessary

Eligibility:
Organizations will be eligible to receive the At-Cost Rate only if the requested use is for the direct benefit of the residents, students, and tenants of Treasure Island. The At-Cost Rate will not apply to private events for individuals. A formal, detailed event proposal will be required for submittal, specifying the purpose and benefit of the use.

Eligible Organizations:
Treasure Island Development Authority (TIDA)
Departments of the City and County of San Francisco (CCSF)

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State and Federal Government Agencies
Treasure Island Homeless Development Initiative (TIHDI)
Members of TIHDI including:
Boys & Girls Club
Catholic Charities
Community Housing Partnership
Haight Ashbury Free Clinics
Kidango
Swords to Plowshares
Waldenhouse
Rubicon Programs
Toolworks
Treasure Island Job Corps
Delancey Street-Life Learning Academy
Glide Memorial Methodist Church-Treasure Island
YMCA-Treasure Island
Treasure Island Sailing Center
Treasure Island Community Associations
Including: Treasure Island Community Network (TICN)
San Francisco Islands' Community Association (SFICA)
Treasure Island Citizens' Advisory Board
San Francisco Little League
United States Navy-Caretaker Site Office (CSO)
Restoration Advisory Board (RAB)
John Stewart Company-Villages at Treasure Island

H. WAIVER OF STANDARD RATES

Frequently, Project Staff receives requests for a waiver of rental fees. These requests are proposed for various purposes, including the use of facilities for the purposes of public service or the direct benefit of Island residents and the City of San Francisco. Examples include the Treasure Island Community Picnic, the Navy's RAB meetings for residents, a corporate sponsored volunteer clean up day, City sponsored press conferences, and the Treasure Island Job Corps's use of the Chapel for a memorial service.

Organizations which meet the same eligibility requirements necessary to be considered for the At-Cost Rate, may be issued a Use Permit with a wavier of rates **if no profit is generated from the event**.

The Director of Island Operations shall use his/her discretion to waive rental fees as appropriate for instances as they arise. The Director of Island Operations shall, on no less than a quarterly basis, report on any such rental rate waivers granted to the Authority Board as part of the Director's Report at each regularly scheduled meeting. The Director of Island Operations shall not waive Event Venue Rates in excess of $5,000 without the approval of the Authority Board.

I. PROMOTIONAL RATES

In support of the overall goal to increase use of the venues so as to boost the revenue generated from Special Events, Project Staff often schedules promotional events in the venues. These promotional events range from a prearranged bus tour of the various

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venues, an informal lunch and tour, or to a larger scale dinner event and tour attended by event industry professionals. This type of outreach to professionals in the event industry allows Treasure Island to develop a larger base of wedding and event planners who can become familiarized with the venues and experience what Treasure Island has to offer. These planners may then recommend Treasure Island venues to their clients and work to promote Treasure Island.

The Director of Island Operations shall review each promotional opportunity and decide if the At Cost Rate or Waiver of Standard Rates is appropriate. An example of a promotional event which would merit the At Cost Rate is the International Special Events Society gala. An example of a promotional event which would merit a Waiver of Standard Rates is a TIDA sponsored luncheon and tour of the venues.

J. FILM AND PHOTO SHOOT RATES

A Use Permit for Film Production and Related Activities is issued for any film or photo shoots that take place on Treasure or Yerba Buena Islands. The two main rate classifications are 1) Still Photo Shoot and 2) Film Shoot. Within each classification, the type of shoot is further distinguished as a Major Shoot or Minor Shoot.

Minor film and photo shoots are those that require very few to no support functions, such as the photographer and the subject only, with minimal equipment.

Major film and photo shoots are those that require substantial support, such as a film crew, prop, vehicles, generators, lighting, and road closures.

Rates for film and photo shoots are included on the Event Venue Rate Schedule, attached as Exhibit A. For use of a facility or event venue, at no time shall the fee charged for a film or photo shoot be less than the rental rate as specified under the Event Venue Rate Schedule for that premises.

II. ADDITIONAL FEES

Those events that are common and can conform to the structure that has been established for the rental process will often include event components that require additional rental time incorporated into a rental reservation. Therefore, additional fees are available to allow for such various circumstances.

A. EXTRA HOURS

Each event contains certain variables that may cause the need for hours of use outside of the standard base rental for each facility. Common variables that may require extra hours of use are elaborate décor designs, lighting installations, catering needs, tent installation and removal, and extensive clean up requirements. Thus, additional time is offered to meet these needs which can be purchased per hour.

The extra hours allow for individual events to modify the rental period so that the desired level of décor/set up can be achieved. This flexibility in price structure benefits those events that may require extra hours, as well as those that do not.

B. SET-UP AND BREAKDOWN DAY FEES

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Often, an event décor design is so elaborate and extensive, that an entire day may be used for set up and/or breakdown of stages, tents, lighting, and exhibits. TIDA recognizes that many events involve pre-event and post-event activities such as these and therefore accommodates additional days at a lower rental fee than the actual event day itself. In the instance that a full day (equivalent to the base rental period of the facility) is required for set up or breakdown, 50% of the base Rate Schedule will be charged.

C. REHEARSALS

Weddings and domestic ceremonies often request use of a facility for a ceremony rehearsal. Thus, rehearsal requests are accommodated, per hour, at the standard Extra Hour Rate.

D. PARKING LOT RATES

For each venue rental, a designated number of parking spots is included in the base rental structure. Often, an event will require use of additional parking lots for one of two reasons: 1) additional parking needs; or 2) additional event space, such as for tents, a car show, or an outdoor festival. The rates incurred for the additional lots requested are structured to accommodate the two types of uses.

i. Parking Lot Rates for additional parking needs will be calculated between $.05 and $.15 per square foot per month, depending on criteria such as whether the lot is paved or has lighting.

ii. Parking Lot Rates for additional event space needs will be calculated at $500 for any lot under 30,000 square feet , $1,000 for any lot between 30,000 square feet and 100,000 square feet, and $1,500 for any lot over 100,000 square feet.

Exhibit B lists the most common lots used for these purposes and the corresponding square footage and rates.

E. FERRY LANDING FEES

One component that attracts clients to venues on Treasure Island is the ability to bring guests by boat or ferry. Ferries are able to dock at Pier 1 on Treasure Island. The Landing Fee associated with each round trip landing use is $250. The Ferry Operator will be issued a Landing License, Exhibit B, and will be required to pay TIDA directly for the landing fee, as well as to supply the required insurance coverages.

III. APPLICATION FOR EVENT

To initiate the rental process, an applicant or event sponsor must provide a clear and complete description of the proposed special event by completing a Facility Use Application.

Applicant must complete a Facility Use Application and submit a required deposit to the Project Office no later than 30 days prior to a proposed event date, and no sooner than 365 days prior to an event date.

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The Facility Use Application is reviewed by Special Events staff in order to determine what additional permits or regulatory approvals may be necessary. Dates and venues are assessed for availability and suitability, and any and all additional requirements are clearly expressed to applicant. Once an Application is found to be acceptable, venues and dates are booked, a written reservation confirmation is generated and sent to Permittee, and the security deposit is submitted for deposit.

IV. SECURITY DEPOSITS

A. SECURITY DEPOSIT REQUIREMENT

Applicants or event sponsors are required to submit a security deposit to accompany the Facility Use Application. The required deposit is 50% of the base Standard Rate Schedule of the venue requested regardless if a discount is applied. This deposit is fully refundable and is required by the Treasure Island Development Authority to provide reasonable assurance that the facilities will be treated with care and that any damages will be repaired at the applicant's expense. Deposits will be refunded no later than 30 business days after the event, provided the facilities are left in the same condition in which they were rented. Events that have been approved At-Cost or with a Waiver of Standard Rates do not need to submit a security deposit.

Any organization requesting consideration for the At Cost Rate must follow all standard procedures for event rentals. A Facility Use Application must be completed and submitted with a minimum refundable deposit of $500. Additionally, a formal written proposal must be submitted with the application detailing the type of use and the benefit that will serve the Treasure Island community. All Rules and Regulations, Policies and Procedures set forth in the Event Application Packet will apply.

B. SECURITY DEPOSIT RETURN

Once the event has taken place, if no damage has occurred and no extra hours were used, then the full deposit is returned to the Permittee within thirty days after the event.

If any damage to the facility has occurred, the Special Events staff will notify the Permittee in writing and estimate the repair cost within 30 days of the event. The Special Events staff will refund the security deposit after receipts of the actual repair cost are provided and fees are deducted from the security deposit, no later than 60 days after the event date.

If the Permittee has occupied the venue for extended hours over those specified in the Use Permit, the standard extra hour fee is deducted from the security deposit. Extra hours are not prorated and any increment of extra time will automatically incur an extra hour charge.

C. CANCELLATIONS AND CHANGES POLICY

Cancellations, postponements, and changes of date or venue must be received in writing in order to receive a deposit refund. Any postponement of date or change of date or venue will be considered a cancellation of the current reservation and a request for a new

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reservation. Thus, the Cancellation and Changes Policy will apply to any request for postponement and/or change of date or venue.

The minimum cancellation fee is $250 per venue. Cancellations, postponements, or changes of date or venue, made fewer than 30 days prior to an event will receive no deposit refund.

Security deposits, less a cancellation fee, will be refunded if the Treasure Island Development Authority receives written notice of cancellation, postponement, or change of date or venue at least 30 days prior to the scheduled event. The minimum cancellation fee of $250 will apply to each venue. If notice of cancellation, postponement, or change of date or venue is received fewer than 150 days prior to the scheduled event, security deposits will be refunded according to the following schedule:

CANCELLATION, POSTPONEMENT, CHANGE OF DATE OR VENUE (days before event)	CANCELLATION FEE (percentage of deposit)	REFUND AMOUNT (percentage of deposit)
150 days or more	$250	100% less $250
149-120 days	20%	80%
119-90 days	40%	60%
89-60 days	60%	40%
59-30 days	80%	20%
29 days and fewer	100%	0

V. SECURITY AND PERMITS

Any use of event facilities on Treasure Island will require that the user obtain any and all necessary and required permits or regulations from all applicable City departments: namely the San Francisco Police Department, the San Francisco Fire Department, the San Francisco Entertainment Commission, and the San Francisco Health Department. The user shall furnish copies of all such permits to the Treasure Island Development Authority prior to the event.

The Permittee shall provide, at its expense, any and all additional security and police officers required for the event as determined by the San Francisco Police Department, as well as, any medical life safety personnel or vehicles during the hours of operation of the event, as determined necessary by the San Francisco Fire Department.

The Permittee shall obtain approval from the San Francisco Police Department for alcohol sales and must obtain a one day liquor license from the California Department of Alcoholic Beverage Control.

The approval and application of an At Cost Rate will not preclude the user from obtaining any necessary and required permit or regulation from City departments.

VI. GENERAL LIABILITY INSURANCE

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The Treasure Island Development Authority requires that all persons or entities renting its facilities provide general liability insurance naming the ***Treasure Island Development Authority, City and County of San Francisco, United States of America, acting by and through the Department of the Navy, and their officers, directors, employees and agents***, as additional insured by endorsement. This coverage must meet the specifications stated in the Use Permit, and must encompass the entire length of rental, including all rehearsal, set-up, or break-down days.

Individuals hosting weddings, domestic ceremonies, and private events are required to purchase liability insurance coverage which will satisfy the insurance requirements set forth in the Use Permit.

TIDA has contracted with an insurance vendor and has secured reasonably priced "per event" liability insurance coverage. This allows individuals to purchase the required coverage through the TIDA office.

Any and all organizations approved for any discounted rates, including the At Cost Rate and Waiver of Standard Rates will be required to provide General Liability Insurance coverage that meets the requirements specified in the Use Permit. If the agency is self insured, written documentation of such self insurance is required.

VII. ANNUAL REVIEW OF RATES

The rates for each venue shall be reviewed at least annually, and adjusted as deemed necessary after a market survey. Any changes to the Event Venue Rate Schedule shall be presented to the Authority Board for adoption.

October **2007**

Exhibit A: Event Venue Rate Schedule
Exhibit B: Parking Lot Rate Schedule

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TREASURE ISLAND DEVELOPMENT AUTHORITY
EVENT VENUE RATE SCHEDULE

VENUE	RENTAL PERIOD	STANDARD RATE	NON-PROFIT RATE*
Admiral's Conference Room	per hour	$50	$40
Building 1 Lobby	8 hours	$3,000	$2,400
Casa de la Vista	8 hours	$3,350	$2,680
Chapel	3 hours	$650	$520
Chapel Off Peak Mon-Wed-8AM to 8PM Sunday-8AM to 12PM	per hour 3 hour minimum	$100	$100
Fogwatch Picnic Area	8 hours	$500	$400
The Great Lawn	24 hours	$2,000	$1,600
Sports Field	per hour	$25	$20
Nimitz Conference Center	8 hours	$1,500	$1,200
Nimitz House/Quarters 2	8 hours	$1,500	$1,200
Fogwatch	8 hours	$1,500	$1,200
Building 180	24 hours	$12,000	$9,600
Building 3	24 hours	$15,000	$12,000
ADDITIONAL FEES			
Wedding Rehearsal	per hour	$200	
Extra Hours	per hour	$200	
Set-Up/Breakdown Day	per rental period	50% Base Rental Fee	
(for Bldgs 180 & 3)	per day	$2,500	
FILM AND PHOTO SHOOT FEES			
Minor Still Photo Shoot	per day	$300	
Major Still Photo Shoot	per day	$600	
Minor Film Shoot	per day	$1,000	
Major Film Shoot	per day	$1,500	

*NON-PROFIT RATES apply ONLY to those with 501c3 status

MILITARY DISCOUNT: Active Military and Veterans receive a 10% discount

**STILL PHOTO and FILM PERMITS require minimum five days advance notice for processing and do not apply to weddings

RATES EFFECTIVE 10/10/2007--SUBJECT TO CHANGE

GENERAL LIABILITY INSURANCE

NUMBER OF ATTENDEES	PREMIUM PER DAY	
	CLASS ONE	CLASS TWO
1 to 100	$50	$115
101 to 250	$75	$180
251 to 500	$95	$290
501 to 1,500	$215	$560
1,501 to 2,500	$300	$900

Class One events include meetings, exhibits, seminars, etc.

Class Two events include weddings, dances, picnic, exhibits, sports, etc.

TREASURE ISLAND DEVELOPMENT AUTHORITY

RENTAL RATE SCHEDULE

LOCATION	SQUARE FOOT	NOTES	estimated parking spaces	Event Rates
Administration Building	39,690	lighted & paved	79	$1,000
Corner of Ave of Palms/California Ave	20,303	paved-no lights	46	$500
FIELD- California Ave, between F & H	113,980	field	N/A	$1,500
Building 180	163,248	paved-no lights	300	$1,500
Great Lawn Parking Lot	95,300	lighted and paved	167	$1,000
California Ave, btwn B & C **(eucalyptus)**	89,110	lighted and paved	200	$1,000
Building 3	98,959	1 light and paved	250	$1,000
Bldg 140/Nimitz Conference Center	28,408	lighted and paved	77	$500
Bldg 227/Fogwatch	14,986	lighted and paved	37 & 23	$500
9th Street, btwn Ave A & D **(N star barracks)**	49,766	lighted and paved	160	$1,000
4th Street, btwn Ave A & D **(S star barracks)**	49,766	lighted and paved	160	$1,000

PARKING RATES	per square foot*
lighted & paved-commercial	15 cents*
band practice	5 cents*
parking purposes	15 cents*
bus/vehicle driving practice	15 cents*

***Rates based on per month calculation**

AVERY™ RECYCLED PAPER MADE FROM 20% POST CONSUMER CONTENT

USE PERMIT

THIS USE PERMIT (this "Permit") dated for reference only as of _____, 200_, is made by and between the Treasure Island Development Authority ("Authority") and _____ ("Permittee").

RECITALS

WHEREAS, pursuant to that certain Lease between the United States of America and Treasure Island Development Authority for Event Venues Naval Station Treasure Island (the "Master Lease"), by and between the Authority and the Department of Navy (the "Navy"), a copy of which is attached hereto as Exhibit A, the Authority has the right to use that certain property located on Naval Station Treasure Island (the "Property"), as more particularly described in the Master Lease; and

WHEREAS, Permittee seeks to use a portion of the Property for the purposes stated herein, subject to the terms and conditions of this Permit.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Authority and Permittee agree as follows:

1. **Basic Permit Information**

The following is a summary of the basic permit information (the "Basic Permit Information"). Each item below shall be deemed to incorporate all of the terms of this Permit pertaining to such item. In the event of any conflict between the information in this Section and any more specific provision of the Permit, the more specific provision shall control.

Authority:	TREASURE ISLAND DEVELOPMENT AUTHORITY, a California nonprofit public benefit corporation
Permittee:	_____, a _____
Premises (Section 2):	That certain portion of the Property commonly known as _____, and portions of the parking area adjacent thereto, all as more particularly shown on Exhibit B, attached hereto.

Structural Report (Section 5):	**[Insert the title and date of the Structural Report. If there is no Structural Report for the Premises, type in "None" here and on Exhibit D. If there is a Structural Report, include the following language on the cover sheet for Exhibit D: "The Structural Report, among other matters, notes that during an earthquake of magnitude 7 or greater, the buildings and any other structures or improvements located on or about the Premises may not provide life-safety for occupants in the event of an earthquake."]**
Permitted Use (Section 6):	_____, with no more than _____ people, and for no other purpose whatsoever
Parking Rights (Section 7):	Up to _____ (___) vehicles may be parked in the area designated for parking on Exhibit B, attached hereto
Permit Fees (Section 11):	_____ Dollars ($_____)
Term (Section 12):	Commencement Date and Time: _____, 200_ at _____ _.M. Expiration Date and Time: _____, 200_ at _____ _.M.
Utilities (Section 19):	**[Describe Permittee's responsibility for utilities. If Permittee is not responsible for any utilities, insert "Not applicable."]**
Insurance Limits (Section 21):	Worker's Compensation Insurance - statutory amounts Employers' Liability Coverage with limits of not less than $1,000,000 for each accident or occurrence Comprehensive or Commercial General Liability Insurance with limits not less than $_____ each occurrence Combined Single Limit for Bodily Injury and Property Damage Comprehensive or Business Automobile Liability Insurance with limits not less than $_____ each occurrence Combined Single Limit for Bodily Injury and Property Damage

Address for Notices (Section 26):

Authority:	Treasure Island Development Authority 410 Avenue of the Palms Building 1, 2nd Floor Treasure Island San Francisco, CA 94130 Attn.: Director of Island Operations Phone No.: (415) 274-0660 Fax No.: (415) 274-0299
Permittee:	_____ _____ _____ Attn.: _____ Phone No.: _____ Fax No.: _____
Security Deposit (Section 33):	_____ Dollars ($_____)

2. License of Premises. Authority confers to Permittee a revocable, personal, non-exclusive and non-possessory license to enter upon and use the Premises described in the Basic Permit Information for the limited purpose and subject to the terms, conditions and restrictions set forth below.

This Permit does not constitute a grant to Permittee of any ownership, leasehold, easement or other property interest or estate in the Premises. Authority is acting only in its proprietary capacity in granting the license given to Permittee under this Permit. Permittee acknowledges that (i) such grant is effective only insofar as Authority's rights in the Premises; and (ii) Permittee must separately obtain all regulatory approvals of Authority, the City and County of San Francisco ("City") or any other applicable governmental entity necessary for the Permitted Uses. Permittee shall bear all costs or expenses of any kind in connection with its use of the Premises or any other Master Lease Property.

3. Inspection of Premises. Permittee represents and warrants that Permittee has conducted a thorough and diligent inspection and investigation, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns, and each of them ("Permittee's Agents"), of the Premises and the suitability of the Premises for Permittee's intended use. Permittee is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises are suitable for its operations and intended uses.

4. As Is; Disclaimer of Representations. Permittee acknowledges and agrees that the Premises are being licensed and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties ("Laws"), governing the use, occupancy, management, operation and possession of the Premises. Without limiting the foregoing, this Permit is made subject to any and all covenants, conditions, restrictions, easements and other

title matters affecting the Premises, or any portion thereof, whether or not of record. Permittee acknowledges and agrees that neither Authority nor any of its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns ("Authority's Agents") have made, and Authority hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, seismological or environmental condition of the Premises, (iii) the quality, nature or adequacy of any utilities serving the Premises, (iv) the feasibility, cost or legality of constructing any Alterations on the Premises if required for Permittee's use and permitted under this Permit, (v) the safety of the Premises, whether for the use of Permittee or any other person, including Permittee's Agents or Permittee's clients, customers, vendors, invitees, guests, members, licensees, assignees or permittees ("Permittee's Invitees"), or (vi) any other matter whatsoever relating to the Premises or their use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

5. **Seismic Report and Structural Report.** Without limiting Section 4 above, Permittee expressly acknowledges for itself and Permittee's Agents that it received and read that certain report dated August 1995, entitled "*Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions,*" prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco (the "Seismic Report"), a copy of the cover page of which is attached hereto as Exhibit C. Permittee has had an adequate opportunity to review the Seismic Report with expert consultants of its own choosing. The Seismic Report, among other matters, describes the conditions of the soils on Treasure Island and points out that in the area of the Property where the Premises are located, an earthquake of magnitude 7 or greater is likely to cause the ground under and around the Premises to spread laterally to a distance of ten (10) or more feet and/or result in other risks. In that event, there is a significant risk that buildings and any other structures or improvements located on or about the Premises may fail structurally and collapse. Permittee further expressly acknowledges for itself and Permittee's Agents that it received and read that certain Structural Report identified in the Basic Permit Information, a copy of which is attached hereto as Exhibit D (the "Structural Report").

6. **Use of Premises.** Permittee may enter and use the Premises for the sole purpose described in the Basic Permit Information. Permittee shall not use, and Permittee shall prohibit Permittee's Agents and Permittee's Licensees from using, the Premises for any activities other than the Permitted Uses. Permittee agrees that, by way of example only and without limitation, the following uses of the Premises by Permittee, or any of Permittee's Agents or Permittee's Invitees, or any other person claiming by or through Permittee, are inconsistent with the limited purpose of this Permit and are strictly prohibited as provided below:

(a) Hazardous Material. Permittee shall not cause, nor shall Permittee allow any of Permittee's Agents or Permittee's Invitees to cause, any Hazardous Material (as defined below) to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises, or transported to or from the Premises without the prior written consent of Authority. Permittee shall immediately notify Authority when Permittee learns of, or has reason to believe that, a release of Hazardous Material has occurred in, on or about the Premises. Permittee shall further comply with all laws requiring notice of such releases or threatened releases to governmental agencies, and shall take all action necessary to mitigate the release or minimize the spread of contamination. In the event that Permittee or Permittee's Agents or Permittee's Invitees cause a release of Hazardous Material, Permittee shall, without cost to Authority and in accordance with all laws and regulations, return the Premises to the condition immediately prior to the release. In connection therewith, Permittee shall afford Authority a full opportunity to participate in any discussion with governmental agencies

regarding any settlement agreement, cleanup or abatement agreement, consent decree or other compromise proceeding involving Hazardous Material. For purposes hereof, "**Hazardous Material**" means material that, because of its quantity, concentration or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state or local governmental authority to pose a present or potential hazard to public health, welfare or the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance, pollutant or contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601 et seq., or pursuant to Section 25316 of the California Health & Safety Code; a "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the Premises or are naturally occurring substances in the Premises, and any petroleum, including, without limitation, crude oil or any fraction thereof, natural gas or natural gas liquids. The term "**release**" or "**threatened release**" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing in, on, under or about the Premises.

(b) Nuisances. Permittee shall not conduct any activities on or about the Premises that constitute waste, nuisance or unreasonable annoyance (including, without limitation, emission of objectionable odors, noises or lights) to Authority, to the owners or occupants of neighboring property or to the public.

(c) Damage. Permittee shall not do anything about the Premises that could cause damage to the Premises or any Authority property.

7. Parking. Permittee shall be allowed to park up to the number of vehicles set forth in the Basic Permit Information in the area designated for parking on Exhibit B attached hereto. To the extent practicable, Permittee shall use its best efforts to encourage ride-sharing, the use of shuttle busses or other pooled-means of transportation to and from the Premises.

8. Resource Conservation and Sustainability. Authority is committed to managing the Premises in as sustainable a manner as possible. In addition to Permittee's compliance with the requirements of Section 32 below, Permittee shall use its best efforts to conduct its operations in accordance with sustainable practices and all applicable provisions of the San Francisco Environment Code.

9. Subject to Authority and City Uses. Notwithstanding anything to the contrary in this Permit, Permittee's right to use the Premises hereunder shall be subject and subordinate to Authority and City's uses of the Premises for municipal purposes. In addition, Permittee acknowledges that the Property contains a variety of different event venues and outdoor public spaces and it is common for numerous events to be held at various venues on the Property on the same day.

10. Alterations. Except as otherwise expressly provided herein, Permittee shall not construct or place any temporary or permanent structures, improvements or signs in, on, under or about the Premises, nor shall Permittee make any alterations, installations or additions ("Alterations") to any of the existing structures, improvements or signs on the Premises, unless Permittee first obtains Authority's prior written consent, which Authority may give or withhold in its sole and absolute discretion. Subject to Authority's consent as provided above, any permitted Alterations shall be done at Permittee's sole expense (i) in strict accordance with plans and specifications approved in advance by Authority in writing, (ii) by duly licensed and bonded contractors approved by Authority, (iii) in a good and professional manner, (iv) in strict

compliance with all applicable laws and regulations, and (v) subject to all other conditions that Authority may reasonably impose. Upon termination of this Permit, Permittee shall remove all Alterations constructed or affixed to the Premises by or on behalf of Permittee and repair, at its sole cost and expense, any damage to the Premises caused by the installation or removal of such Alterations.

Without limiting the generality of the foregoing, Permittee acknowledges and agrees that, pursuant to Section 15 of the Master Lease, no Alterations may be made to any improvements on the Premises (i) which will affect the historic characteristics of the improvements or modify the appearance of the exterior of the improvements without Navy's and Authority's prior written consent, or (ii) if such Alterations would preclude qualifying the improvements for inclusion on the National Register for Historic Places.

11. **Permit Fee**. Permittee shall pay to Authority a one-time non-refundable permit fee in the amount set forth in the Basic Permit Information for its use of the Premises as provided hereunder. Such fee is payable at such time as Permittee signs and delivers this Permit to Authority. Within five (5) days after demand therefor, Permittee shall pay all applicable City departments for the costs incurred by those departments in providing the use of City employees, equipment, property and facilities in connection with this Permit.

12. **Term of Permit; Revocability**. The privilege conferred to Permittee pursuant to this Permit shall commence on Commencement Date and Time set forth in the Basic Permit Information and shall automatically expire on the Expiration Date and Time set forth in the Basic Permit Information, unless amended in writing or sooner terminated or revoked pursuant to the terms hereof. Moreover, if the Master Lease terminates for any reason whatsoever, this Permit shall automatically terminate. Without limiting any of its rights hereunder, Authority may revoke this Permit at any time prior to the Expiration Date and Time, without cause and without any obligation to pay any consideration to Permittee.

13. **Compliance with Laws**. Permittee shall, at its expense, conduct and cause to be conducted all activities on the Premises allowed hereunder in a safe and reasonable manner and in compliance with all laws, regulations, ordinances and orders of any governmental or other regulatory entity (including, without limitation, the Americans with Disabilities Act) whether presently in effect or subsequently adopted and whether or not in the contemplation of the parties. Such laws shall include, but are not limited to, local, state and federal laws prohibiting discrimination in employment and public accommodations. Permittee shall, at its sole expense, procure and maintain in force at all times during its use of the Premises any and all business and other licenses or approvals necessary to conduct the activities allowed hereunder. Permittee understands and agrees that Authority is entering into this Permit in its capacity as a property owner with a proprietary interest in the Premises and not as a regulatory agency with police powers. Permittee further understands and agrees that no approval by Authority for purposes of this Permit shall be deemed to constitute approval of any federal, state, Authority or other local regulatory authority with jurisdiction, and nothing herein shall limit Permittee's obligation to obtain all such regulatory approvals at Permittee's sole cost or limit in any way Authority's exercise of its police powers. Without limiting the foregoing, before beginning any work in the Premises and/or using the Premises, Permittee at its sole cost and expense shall obtain any and all permits, licenses and approvals (collectively, "approvals") of all regulatory agencies and other third parties that are required to commence and complete the permitted work and use the Premises including, but not limited to, approvals required by the San Francisco Fire Department (e.g. General Assembly, Tent, Open Flame, Propane, etc.), the San Francisco Police Department (e.g., alcohol consumption and/or sales), the San Francisco Entertainment Commission (e.g., Loudspeaker, Itinerant Show, etc.), San Francisco Department of Building Inspection (e.g., electrical), the San Francisco Department of Health,

and the California Department of Alcoholic Beverage Control (e.g., alcohol consumption and/or sales). Permittee shall provide copies of all such approvals to Authority prior to Permittee's use of the Premises.

14. Security. In addition to the Permit Fee described in Section 11 above, Permittee shall provide the security, police and medical support services described on Exhibit E, attached hereto, at its sole cost and expense.

15. Rules and Regulations. In connection with the Permittee's use hereunder, Permittee shall comply with the Rules and Regulations attached hereto as Exhibit F. Authority reserves the right, in its sole discretion, to change such Rules and Regulations as necessary to promote or protect the public safety, health or convenience. Authority shall give Permittee reasonable prior notice of such changes; provided, however, that no such prior notice shall be required in emergency situations.

16. Surrender. Upon the expiration of this Permit, Permittee shall surrender the Premises in the same condition as received, free from hazards and clear of all debris. At such time, Permittee shall remove all of its property from the Premises permitted hereunder, and shall repair, at its cost, any damage to the Premises caused by such removal. Permittee's obligations under this Section shall survive any termination of this Permit.

17. Repair of Damage. If requested by Authority, Permittee shall promptly, at its sole cost and expense, repair any and all damage to the Premises and any personal property located thereon caused by Permittee or Permittee's Agents or Invitees. Permittee shall obtain Authority's prior written approval of any party to be used by Permittee to conduct such repair work. Alternatively, Authority may make such repairs or behalf of Permittee at Permittee's sole cost and expense. If Permittee damages Authority or Navy facilities or any personal property, the final repair costs owed by Permittee shall be determined by Authority in its sole and absolute discretion, and shall be paid by Permittee within five (5) days after Permittee's demand therefor. Permittee's obligations under this Section shall survive the cancellation, expiration or termination of this Permit.

18. Public Safety. Permittee agrees to conduct the Permitted Uses at all times in a safe and prudent manner with full regard to the public safety and to observe all applicable regulations and requests of Authority and other government agencies responsible for public safety.

19. Utilities. Authority has no responsibility or liability of any kind with respect to any utilities that may be on, in or under the Premises. Permittee shall locate any such utilities and protect them from damage arising out of Permittee's activities. Permittee shall be solely responsible for arranging and paying for all utilities necessary in connection with the Permitted Uses as set forth in the Basic Permit Information. Any such payment shall be due and payable within five (5) days after demand therefor.

20. Release and Waiver of Claims; Indemnification

20.1. Release and Waiver of Claims. Permittee, on behalf of itself and Permittee's Agents, covenants and agrees that the Authority shall not be responsible for or liable to Permittee for, and, to the fullest extent allowed by any Laws, Permittee hereby waives all rights against the Authority and releases them from, any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses"), including, but not limited to, incidental and consequential damages,

relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of the buildings thereon due to an earthquake or subsidence, except only to the extent such Losses are caused exclusively by the gross negligence or willful misconduct of the Authority (except as provided in Section 20.1(a) below). Without limiting the generality of the foregoing:

(a) Without limiting any other waiver contained herein, Permittee on behalf of itself and its successors and assigns, hereby waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Authority from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the Authority's decision to allow Permittee to use the Premises, regardless of whether or not such decision is or may be determined to be an act of gross negligence or willful misconduct of the Authority.

(b) Permittee covenants and agrees never to file, commence, prosecute or cause to be filed, commenced or prosecuted against the Authority any claim, action or proceeding based upon any claims, demands, causes of action, obligations, damages, losses, costs, expenses or liabilities of any nature whatsoever encompassed by the waivers and releases set forth in this Section 20.1.

(c) In executing these waivers and releases, Permittee has not relied upon any representation or statement other than as expressly set forth herein.

(d) Permittee has made such investigation of the facts pertaining to these waivers and releases as it deems necessary and assumes the risk of mistake with respect to such facts. These waivers and releases are intended to be final and binding on Permittee regardless of any claims of mistake.

(e) In connection with the foregoing releases, Permittee acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

20.2. Acknowledgment. Permittee acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Permittee realizes and acknowledges that it has agreed upon this Permit in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The waivers and releases contained herein shall survive any termination of this Permit.

20.3. Permittee's Indemnity. Permittee, on behalf of itself and Permittee's Agents, shall indemnify, protect, defend and hold harmless forever ("Indemnify") the Authority from and against any and all Losses, expressly including but not limited to, any Losses arising out of a partial or complete collapse of any building located on the Premises due to an earthquake or subsidence, incurred in connection with or arising directly or indirectly, in whole or in part, out of: (a) any damage to or destruction of any property owned by or in the custody of Permittee or Permittee's Agents or Permittee's Invitees; (b) any accident, injury to or death of a person, including, without limitation, Permittee's Agents and Permittee's Invitees, howsoever or by

whomsoever caused, occurring in, on or about the Premises; (c) any default by Permittee in the observation or performance of any of the terms, covenants or conditions of this Permit to be observed or performed on Permittee's part; (d) the use, occupancy, conduct or management, or manner of use, occupancy, conduct or management by Permittee, Permittee's Agents or Permittee's Invitees or any person or entity claiming through or under any of them, of the Premises or any Alterations; (e) the condition of the Premises; (f) any construction or other work undertaken by Permittee on or about the Premises whether before or during the Term of this Permit; or (g) any acts, omissions or negligence of Permittee, Permittee's Agents or Permittee's Invitees, or of any trespassers, in, on or about the Premises or any alterations; except to the extent that such Indemnity is void or otherwise unenforceable under any applicable Laws in effect on or validly retroactive to the date of this Permit and further except only to the extent such Losses are caused by the gross negligence and intentional wrongful acts and omissions of the Authority. Notwithstanding the foregoing, Permittee's obligations to indemnify the Authority under this Section 20.3 shall remain in full force and effect regardless of whether or not the Authority' decision to permit the Premises to the Permittee, given the seismic condition of the property, is or may be determined to be an act of gross negligence or willful misconduct of the Authority. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Authority's costs of investigating any Loss. Permittee specifically acknowledges and agrees that it has an immediate and independent obligation to defend Authority from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Permittee by Authority and continues at all times thereafter. Permittee's obligations under this Section shall survive the expiration or sooner termination of this Permit. Notwithstanding anything contained herein, to the extent such Losses are not covered by insurance required herein and subject to this Section 20.3, Permittee shall have no obligation to repair, restore or reconstruct the Premises (or to pay for the same) in the event the Premises are damaged or destroyed by an earthquake or subsidence or by any other uninsured casualty.

21. INSURANCE

21.1. Permittee's Insurance. Permittee shall procure and maintain throughout the Term of this Permit and pay the cost thereof the following insurance:

(a) If Subtenant has employees, Worker's Compensation Insurance in statutory amounts, with Employers' Liability Coverage with limits of not less than the amount set forth in the Basic Permit Information; and

(b) Comprehensive or Commercial General Liability Insurance with limits not less than the amount set forth in the Basic Permit Information, including coverage for Contractual Liability, Host Liquor Liability, Personal Injury, Advertising Liability, Independent Contractors, Explosion, Collapse and Underground (XCU), Broad Form Property Damage, Products Liability, Completed Operations and Sudden and Accidental Pollution; and

(c) Comprehensive or Business Automobile Liability Insurance with limits not less than the amount set forth in the Basic Permit Information, including coverage for owned, non-owned and hired automobiles, if applicable, which insurance shall be required if any automobiles or any other motor vehicles are operated in connection with Permittee's activity on, in and around the Premises; and

(d) Such other insurance as required by law or as the City's Risk Manager may require.

21.2. Claims Made Policy. Should any of the required insurance be provided under a claims-made form, Permittee shall maintain such coverage continuously throughout the term of this Permit, and, without lapse, for two (2) years beyond the expiration of this Permit, to the effect that, should occurrences during the Term give rise to claims made after expiration of this Permit, such claims shall be covered by such claims-made policies.

21.3. Annual Aggregate Limit. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be not less than double the occurrence limits specified above.

21.4. Additional Insureds. Liability policies shall be endorsed to name as additional insureds the "Treasure Island Development Authority, City and County of San Francisco, United States of America, acting by and through the Department of the Navy, and their officers, directors, employees and agents" (Insurance Certificate with Endorsement for such additional insureds).

21.5. Payment of Premiums. Permittee shall pay all the premiums for maintaining all required insurance.

21.6. Waiver of Subrogation Rights. Notwithstanding anything to the contrary contained herein, Authority and Permittee (each a "Waiving Party") each hereby waives any right of recovery against the other party for any loss or damage sustained by such other party with respect to the Premises or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party, to the extent such loss or damage is covered by insurance which is required to be purchased by the Waiving Party under this Permit or is actually covered by insurance obtained by the Waiving Party. Each Waiving Party agrees to cause its insurers to issue appropriate waiver of subrogation rights endorsements to all policies relating to the Premises; provided, the failure to obtain any such endorsement shall not affect the above waiver.

21.7. General Insurance Matters.

(a) All insurance policies shall be endorsed to provide thirty (30) days prior written notice of cancellation, non-renewal or reduction in coverage or limits to Authority at the address for Notices specified in the Basic Permit Information.

(b) All insurance policies shall be endorsed to provide that such insurance is primary to any other insurance available to the additional insureds with respect to claims covered under the policy and that insurance applies separately to each insured against whom claim is made or suit is brought, but the inclusion of more than one insured shall not operate to increase the insurer's limit of liability.

(c) Before commencement of activities under this Permit, certificates of insurance and brokers' endorsements, in form and with insurers acceptable to Authority, shall be furnished to Authority, along with complete copies of policies if requested by Authority.

(d) All insurance policies required to be maintained by Permittee hereunder shall be issued by an insurance company or companies reasonably acceptable to Authority with an AM Best rating of not less than A-VIII and authorized to do business in the State of California.

21.8. No Limitation on Indemnities. Permittee's compliance with the provisions of this Section shall in no way relieve or decrease Permittee's indemnification obligations herein or any of Permittee's other obligations or liabilities under this Permit.

21.9. Lapse of Insurance. Notwithstanding anything to the contrary in this Permit, Authority may elect in Authority's sole and absolute discretion to terminate this Permit upon the lapse of any required insurance coverage by written notice to Permittee.

21.10. Permittee's Personal Property. Permittee shall be responsible, at its expense, for separately insuring Permittee's Personal Property.

22. No Assignment. This Permit is personal to Permittee and shall not be assigned, conveyed or otherwise transferred by Permittee under any circumstances.

23. No Joint Venture or Partnership; Independent Contractor. This Permit does not create a partnership or joint venture between Authority and Permittee. Permittee shall be solely responsible for all matters relating to the payment of its employees, including, without limitation, compliance with any federal, state or local law and all other regulations governing such matters.

24. Impossibility of Performance. If, for any reason, an unforeseen event occurs which is beyond the control of Authority or Permittee, including, but not limited to, fire, casualty or labor strike, which event renders impossible the fulfillment of any term of this Permit, Permittee and Authority shall have no right to nor claim for damages against the other.

25. Possessory Interest Taxes; Payment of Taxes. Permittee recognizes and understands that this Permit may create a possessory interest subject to property taxation and that Permittee may be subject to the payment of property taxes levied on such interest under applicable law. Permittee agrees to pay taxes of any kind, including possessory interest taxes, if any, that may be lawfully assessed on Permittee's interest under this Permit or use of the Premises pursuant hereto and to pay any other taxes, excises, licenses, permit charges, possessory interest taxes, or assessments based on Permittee's usage of the Premises that may be imposed upon Permittee by applicable law.

26. Notices. Except as otherwise provided herein, any notices given under this Permit shall be addressed to the Authority and Permittee at the addresses set forth in the Basic Permit Information. Notice shall be deemed given (a) two (2) business days after the date when it is deposited with the U.S. Mail, if sent by first class or certified mail, (b) one (1) business day after the date when it is deposited with an overnight carrier, if next business day delivery is required, (c) upon the date personal delivery is made, or (d) upon the date when it is sent by facsimile, if the sender receives a facsimile report confirming such delivery has been successful and the sender mails a copy of such notice to the other party by U.S. first class mail on such date.

27. MacBride Principles - Northern Ireland. The City and County of San Francisco urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Permittee acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

28. Non-Discrimination.

28.1 Covenant Not to Discriminate. In the performance of this Permit, Permittee covenants and agrees not to discriminate on the basis of any fact or perception of a person's race, color, creed, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, height, weight or acquired immune deficiency (AIDS) or HIV syndrome against any employee of, any City or Authority employee working with, or applicant for employment with, Permittee, in any of Permittee's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Permittee.

28.2 Subcontracts. Permittee shall include in all subcontracts relating to the Premises a non-discrimination clause applicable to such subcontractor in substantially the form of Section 28.1 above. In addition, Permittee shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. Permittee's failure to comply with the obligations in this Section shall constitute a material breach of this Permit.

28.3 Non-Discrimination in Benefits. Permittee does not as of the date of this Permit and will not during the term of this Permit, in any of its operations in San Francisco or where the work is being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

28.4 Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the use of City property are incorporated in this Section by reference and made a part of this Permit as though fully set forth herein. Permittee shall comply fully with and be bound by all of the provisions that apply to this Permit under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Permittee understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars ($50) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Permit may be assessed against Permittee and/or deducted from any payments due Permittee.

29. Tropical Hardwoods and Virgin Redwood. The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product, except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code. Permittee agrees that, except as permitted by the application of Sections 802(b) and 803(b), Permittee shall not use or incorporate any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product in the performance of this Permit.

30. No Tobacco Advertising. Permittee acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of the Authority, including the property which is the subject of this Permit. This prohibition

includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

31. Conflicts of Interest. Through its execution of this Permit, Permittee acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Sections 87100 et seq. and Sections 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provision, and agrees that if Permittee becomes aware of any such fact during the term of this Permit, Permittee shall immediately notify Authority.

32. Food Service Waste Reduction. Permittee agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Permit as though fully set forth. This provision is a material term of this Permit. By entering into this Permit, Permittee agrees that if it breaches this provision, Authority will suffer actual damages that will be impractical or extremely difficult to determine; further, Permittee agrees that the sum of One Hundred Dollars ($100.00) liquidated damages for the first breach, Two Hundred Dollars ($200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars ($500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that Authority will incur based on the violation, established in light of the circumstances existing at the time this Permit was made. Such amounts shall not be considered a penalty, but rather agreed monetary damages sustained by Authority because of Permittee's failure to comply with this provision.

In addition, if 2,000 or more of Permittee's Agents and/or Permittee's Licensee's will be at the Premises, Permittee shall submit a recycling and waste reduction plan to the Authority's Events Coordinator and comply with State Assembly Bill 2176 (Montanez, Chapter 879, Statutes of 2004).

33. Security Deposit. Permittee shall pay to Authority upon execution of this Permit a security deposit in the amount set forth in the Basic Permit Information as security for the faithful performance of all terms, covenants and conditions of this Permit. Permittee agrees that Authority may (but shall not be required to) apply the security deposit in whole or in part to remedy any damage to the Premises caused by Permittee, Permittee's Agents or Permittee's Invitees, or any failure of Permittee to perform any other terms, covenants or conditions contained in this Permit, without waiving any of Authority's other rights and remedies hereunder or at law or in equity. Authority's obligations with respect to the security deposit are solely that of debtor and not trustee. Authority shall not be required to keep the security deposit separate from its general funds, and Permittee shall not be entitled to any interest on such deposit. The amount of the security deposit shall not be deemed to limit Permittee's liability for the performance of any of its obligations under this Permit. To the extent that Authority is not entitled to retain or apply the security deposit pursuant to this Section 33, Authority shall return such security deposit to Permittee within forty-five (45) days of the termination of this Permit, or such longer period as is reasonably necessary for Authority to confirm Permittee's compliance with the requirements of this Permit.

34. General Provisions. **(a)** This Permit may be amended or modified only by a writing signed by Authority and Permittee. **(b)** No waiver by any party of any of the provisions of this

Permit shall be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in such written waiver. **(c)** This instrument (including the exhibit(s) hereto) contains the entire agreement between the parties and all prior written or oral negotiations, discussions, understandings and agreements are merged herein. **(d)** The section and other headings of this Permit are for convenience of reference only and shall be disregarded in the interpretation of this Permit. **(e)** Time is of the essence. **(f)** This Permit shall be governed by California law. **(g)** If either party commences an action against the other or a dispute arises under this Permit, the prevailing party shall be entitled to recover from the other reasonable attorneys' fees and costs. For purposes hereof, reasonable attorneys' fees of Authority shall be based on the fees regularly charged by private attorneys in San Francisco with comparable experience. **(h)** If Permittee consists of more than one person then the obligations of each person shall be joint and several. **(i)** Permittee may not record this Permit or any memorandum hereof. **(j)** Subject to the prohibition against assignments or other transfers by Permittee hereunder, this Permit shall be binding upon and inure to the benefit of the parties and their respective heirs, representatives, successors and assigns. **(k)** Any sale or conveyance of the property burdened by this Permit by Authority shall automatically revoke this Permit. **(l)** This Permit may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

Permittee represents and warrants to Authority that it has read and understands the contents of this Permit and agrees to comply with and be bound by all of its provisions.

PERMITTEE:

_____,
a _____

By: _____
Name: _____
Title: _____

AUTHORITY:

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____
Mirian Saez
Director of Island Operations

APPROVED AS TO FORM:

DENNIS J. HERRERA,
City Attorney

By: _____
Deputy City Attorney

USE PERMIT FOR FILM PRODUCTION
AND RELATED ACTIVITIES ON TREASURE ISLAND

THIS USE PERMIT (this "Permit") dated for reference only as of _____, is made by and between the Treasure Island Development Authority ("Authority") and _____, a _____ ("Permittee").

RECITALS

WHEREAS, pursuant to that certain Lease between the United States of America and Treasure Island Development Authority for Event Venues Naval Station Treasure Island (the "Master Lease") **[MAY NEED TO REFERENCE OTHER MASTER LEASES DEPENDING ON THE SCOPE OF THE FILMING]**, by and between the Authority and the Department of Navy (the "Navy"), a copy of which is attached hereto as Exhibit A, the Authority has the right to use those certain properties located on Naval Station Treasure Island, all as more particularly described in the Master Lease (the "Master Lease Property"); and

WHEREAS, Permittee seeks to use a portion of the Master Lease Property for the purposes stated herein, subject to the terms and conditions of this Permit.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Authority and Permittee agree as follows:

1. Basic Permit Information

The following is a summary of the basic permit information (the "Basic Permit Information"). Each item below shall be deemed to incorporate all of the terms of this Permit pertaining to such item. In the event of any conflict between the information in this Section and any more specific provision of the Permit, the more specific provision shall control.

Authority:	TREASURE ISLAND DEVELOPMENT AUTHORITY, a California nonprofit public benefit corporation
Permittee:	_____, a _____
Premises (Section 2):	That certain portion of the Master Lease Property as described in the Identification and Location Form attached hereto as Exhibit B.
Structural Report (Section 5):	**[Insert the title and date of the Structural Report. If there is no Structural Report for the Premises, type in "None" here and on Exhibit D. If there is a Structural Report, include the following language on the cover sheet for Exhibit D: "The Structural Report, among other matters, notes that during an earthquake of magnitude 7 or greater, the buildings and any other structures or improvements located on or about the Premises may not provide**

	life-safety for occupants in the event of an earthquake."]
Permitted Use (Section 6):	Film production and related activities for the **[television series] [film]** titled **["_____"]**, and for no other purpose whatsoever
Parking Rights (Section 8):	Up to _____ (___) vehicles may be parked in the area designated for parking on Exhibit B, attached hereto
Permit Fees (Section 12):	_____ Dollars ($_____)
Term (Section 13):	Commencement Date and Time: _____, 200_ at _____ __.M. Expiration Date and Time: _____, 200_ at _____ __.M.
Utilities (Section 20):	**[Describe Permittee's responsibility for utilities. If Permittee is not responsible for any utilities, insert "Not applicable."]**
Insurance Limits (Section 22):	Worker's Compensation Insurance - statutory amounts Employers' Liability Coverage with limits of not less than $1,000,000 for each accident or occurrence Comprehensive or Commercial General Liability Insurance with limits not less than $_____ each occurrence Combined Single Limit for Bodily Injury and Property Damage Comprehensive or Business Automobile Liability Insurance with limits not less than $_____ each occurrence Combined Single Limit for Bodily Injury and Property Damage
Address for Notices (Section 26):	
Authority:	Treasure Island Development Authority 410 Avenue of the Palms Building 1, 2nd Floor Treasure Island San Francisco, CA 94130 Attn.: Director of Island Operations Phone No.: (415) 274-0660 Fax No.: (415) 274-0299

Permittee: _____
_____
_____
Attn.: _____
Phone No.: _____
Fax No.: _____

Security Deposit (Section 38): _____ Dollars ($_____)

2. License of Premises. Authority confers to Permittee a revocable, personal, non-exclusive and non-possessory license to enter upon and use the Premises described in the Basic Permit Information for the limited purpose and subject to the terms, conditions and restrictions set forth below.

This Permit does not constitute a grant to Permittee of any ownership, leasehold, easement or other property interest or estate in the Premises. Authority is acting only in its proprietary capacity in granting the license given to Permittee under this Permit. Permittee acknowledges that (i) such grant is effective only insofar as Authority's rights in the Premises; and (ii) Permittee must separately obtain all regulatory approvals of Authority, the City and County of San Francisco ("City") or any other applicable governmental entity necessary for the Permitted Uses. Permittee shall bear all costs or expenses of any kind in connection with its use of the Premises or any other Master Lease Property.

3. Inspection of Premises. Permittee represents and warrants that Permittee has conducted a thorough and diligent inspection and investigation, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns, and each of them ("Permittee's Agents"), of the Premises and the suitability of the Premises for Permittee's intended use. Permittee is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises are suitable for its operations and intended uses.

4. As Is; Disclaimer of Representations. Permittee acknowledges and agrees that the Premises are being licensed and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties ("Laws"), governing the use, occupancy, management, operation and possession of the Premises. Without limiting the foregoing, this Permit is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Premises, or any portion thereof, whether or not of record. Permittee acknowledges and agrees that neither Authority nor any of its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns ("Authority's Agents") have made, and Authority hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, seismological or environmental condition of the Premises, (iii) the quality, nature or adequacy of any utilities serving the Premises, (iv) the feasibility, cost or legality of constructing any Alterations on the Premises if required for Permittee's use and permitted under this Permit, (v) the safety of the Premises, whether for the use of Permittee or any other person, including Permittee's Agents or

Permittee's clients, customers, vendors, invitees, guests, members, licensees, assignees or permittees ("Permittee's Invitees"), or (vi) any other matter whatsoever relating to the Premises or their use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

5. **Seismic Report and Structural Report.** Without limiting Section 3 above, Permittee expressly acknowledges for itself and Permittee's Agents that it received and read that certain report dated August 1995, entitled "*Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions,*" prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco (the "Seismic Report"), a copy of the cover page of which is attached hereto as Exhibit C. Permittee has had an adequate opportunity to review the Seismic Report with expert consultants of its own choosing. The Seismic Report, among other matters, describes the conditions of the soils on Treasure Island and points out that in the area of the Property where the Premises are located, an earthquake of magnitude 7 or greater is likely to cause the ground under and around the Premises to spread laterally to a distance of ten (10) or more feet and/or result in other risks. In that event, there is a significant risk that buildings and any other structures or improvements located on or about the Premises may fail structurally and collapse. Permittee further expressly acknowledges for itself and Permittee's Agents that it received and read that certain Structural Report identified in the Basic Permit Information, a copy of which is attached hereto as Exhibit D (the "Structural Report").

6. **Use of Premises**. Permittee may enter and use the Premises for the sole purpose described in the Basic Permit Information during the times specified in the Location Form, which Location Form may be amended in writing by mutual agreement of the parties. Permittee shall comply with all conditions of approval or use guidelines set forth in the Location Form, the General Guidelines and Information for Filming on Treasure Island attached hereto as Exhibit E, the San Francisco Police Department Film Production Guidelines attached hereto as Exhibit F, or as otherwise required by Authority. Authority reserves the right, in its sole discretion, to change such guidelines as necessary to promote or protect the public safety, health or convenience. Authority shall give Permittee reasonable prior notice of such changes; provided, however, that no such prior notice shall be required in emergency situations. Authority shall keep the Premises free and clear of any liens or claims of lien arising out of Permittee's use of the Premises and Permittee shall use commercially reasonable efforts to minimize any disruption that its activities may cause to the Premises or its general vicinity.

7. **Restrictions on Use**. Permittee shall not use, and Permittee shall prohibit Permittee's Agents and Permittee's Invitees from using, the Premises for any activities other than the Permitted Uses. Permittee agrees that, by way of example only and without limitation, the following uses of the Premises by Permittee, or any of Permittee's Agents or Permittee's Invitees, or any other person claiming by or through Permittee, are inconsistent with the limited purpose of this Permit and are strictly prohibited as provided below:

(a) Hazardous Material. Permittee shall not cause, nor shall Permittee allow any of Permittee's Agents or Permittee's Invitees to cause, any Hazardous Material (as defined below) to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises, or transported to or from the Premises, without the prior written consent of Authority. Permittee shall immediately notify Authority when Permittee learns of, or has reason to believe that, a release of Hazardous Material has occurred in, on or about the Premises. Permittee shall further comply with all laws requiring notice of such releases or threatened releases to governmental agencies, and shall take all action necessary to mitigate the release or minimize the spread of contamination. In the event that Permittee or Permittee's Agents or Permittee's Invitees cause a release of Hazardous Material, Permittee shall, without

cost to Authority and in accordance with all laws and regulations, return the Premises to the condition immediately prior to the release. In connection therewith, Permittee shall afford Authority a full opportunity to participate in any discussion with governmental agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree or other compromise proceeding involving Hazardous Material. For purposes hereof, "**Hazardous Material**" means material that, because of its quantity, concentration or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state or local governmental authority to pose a present or potential hazard to public health, welfare or the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance, pollutant or contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601 et seq., or pursuant to Section 25316 of the California Health & Safety Code; a "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the Premises or are naturally occurring substances in the Premises, and any petroleum, including, without limitation, crude oil or any fraction thereof, natural gas or natural gas liquids. The term "**release**" or "**threatened release**" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing in, on, under or about the Premises.

(b) Nuisances. Permittee shall not conduct any activities on or about the Premises that constitute waste, nuisance or unreasonable annoyance (including, without limitation, emission of objectionable odors, noises or lights) to Authority, to the owners or occupants of neighboring property or to the public.

(c) Damage. Permittee shall not do anything about the Premises that could cause damage to the Premises or any Authority or Navy property.

8. Parking. Permittee shall be allowed to park up to the number of vehicles set forth in the Basic Permit Information in the area designated for parking on the Location Form attached hereto. To the extent practicable, Permittee shall use its best efforts to encourage ride-sharing, the use of shuttle busses or other pooled-means of transportation to and from the Premises.

9. Resource Conservation and Sustainability. Authority is committed to managing the Premises in as sustainable a manner as possible. In addition to Permittee's compliance with the requirements of Section 37 below, Permittee shall use its best efforts to conduct its operations in accordance with sustainable practices and all applicable provisions of the San Francisco Environment Code.

10. Subject to Authority and City Uses. Notwithstanding anything to the contrary in this Permit, Permittee's right to use the Premises hereunder shall be subject and subordinate to Authority and City's uses of the Premises for municipal purposes. In addition, Permittee acknowledges that the Property contains a variety of different event venues and outdoor public spaces and it is common for numerous events to be held at various venues on the Property on the same day.

11. Alterations. Except as otherwise expressly provided herein, Permittee shall not construct or place any temporary or permanent structures, improvements or signs in, on, under or about the Premises, nor shall Permittee make any alterations, installations or additions ("Alterations") to any of the existing structures, improvements or signs on the Premises, unless Permittee first obtains Authority's prior written consent, which Authority may give or withhold in its sole and absolute discretion. Subject to Authority's consent as provided above, any

permitted Alterations shall be done at Permittee's sole expense (i) in strict accordance with plans and specifications approved in advance by Authority in writing, (ii) by duly licensed and bonded contractors approved by Authority, (iii) in a good and professional manner, (iv) in strict compliance with all applicable laws and regulations, and (v) subject to all other conditions that Authority may reasonably impose. Upon termination of this Permit, Permittee shall remove all Alterations constructed or affixed to the Premises by or on behalf of Permittee and repair, at its sole cost and expense, any damage to the Premises caused by the installation or removal of such Alterations.

Without limiting the generality of the foregoing, Permittee acknowledges and agrees that, pursuant to Section 15 of the Master Lease, no Alterations may be made to any improvements on the Premises (i) which will affect the historic characteristics of the improvements or modify the appearance of the exterior of the improvements without Navy's and Authority's prior written consent, or (ii) if such Alterations would preclude qualifying the improvements for inclusion on the National Register for Historic Places.

12. **Permit Fees**. Permittee shall pay to Authority a one-time non-refundable permit fee in the amount set forth in the Basic Permit Information for its use of the Premises as provided hereunder. Such fee is payable at such time as Permittee signs and delivers this Permit to Authority. Within five (5) days after demand therefor, Permittee shall pay all applicable City departments for the costs incurred by those departments in providing the use of City employees, equipment, property and facilities in connection with this Permit.

13. **Term of Permit; Revocability**. The privilege conferred to Permittee pursuant to this Permit shall commence on Commencement Date and Time set forth in the Basic Permit Information and shall automatically expire on the Expiration Date and Time set forth in the Basic Permit Information, unless amended in writing or sooner terminated or revoked pursuant to the terms hereof. Moreover, if the Master Lease terminates for any reason whatsoever, this Permit shall automatically terminate. Without limiting any of its rights hereunder, Authority may revoke this Permit at any time prior to the Expiration Date and Time, without cause and without any obligation to pay any consideration to Permittee.

14. **Compliance with Laws**. Permittee shall, at its expense, conduct and cause to be conducted all activities on the Premises allowed hereunder in a safe and reasonable manner and in compliance with all laws, regulations, ordinances and orders of any governmental or other regulatory entity (including, without limitation, the Americans with Disabilities Act), whether presently in effect or subsequently adopted, and whether or not in the contemplation of the parties. Such laws shall include, but are not limited to, local, state and federal laws prohibiting discrimination in employment and public accommodations. Permittee shall, at its sole expense, procure and maintain in force at all times during its use of the Premises any and all business and other licenses or approvals necessary to conduct the activities allowed hereunder. Permittee understands and agrees that Authority is entering into this Permit in its capacity as a property owner with a proprietary interest in the Premises and not as a regulatory agency with police powers. Permittee further understands and agrees that no approval by Authority for purposes of this Permit shall be deemed to constitute approval of any federal, state, Authority or other local regulatory authority with jurisdiction, and nothing herein shall limit Permittee's obligation to obtain all such regulatory approvals at Permittee's sole cost or limit in any way Authority's exercise of its police powers. Without limiting the foregoing, before beginning any work in the Premises and/or using the Premises, Permittee, at its sole cost and expense, shall obtain any and all permits, licenses and approvals (collectively, "approvals") of all regulatory agencies and other third parties that are required to commence and complete the permitted work and use the Premises including, but not limited to, approvals required by the San Francisco Fire Department (e.g. General Assembly, Tent, Open Flame, Propane, etc.), the San

Francisco Police Department (e.g., alcohol consumption and/or sales), the San Francisco Entertainment Commission (e.g., Loudspeaker, Itinerant Show, etc.), San Francisco Department of Building Inspection (e.g., electrical), the San Francisco Department of Health, and the California Department of Alcoholic Beverage Control (e.g., alcohol consumption and/or sales). Permittee shall provide copies of all such approvals to Authority prior to Permittee's use of the Premises.

15. Security. In addition to the Permit Fee described in Section 12 above, Permittee shall provide the security, police and medical support services described on Exhibit G, attached hereto, at its sole cost and expense.

16. Rules and Regulations. In connection with the Permittee's use hereunder, Permittee shall comply with the Rules and Regulations attached hereto as Exhibit H. Authority reserves the right, in its sole discretion, to change such Rules and Regulations as necessary to promote or protect the public safety, health or convenience. Authority shall give Permittee reasonable prior notice of such changes; provided, however, that no such prior notice shall be required in emergency situations.

17. Surrender. Upon the expiration or termination of this Permit, Permittee shall surrender the Premises in the same condition as received, free from hazards and clear of all debris. At such time, Permittee shall remove all of its property from the Premises permitted hereunder, and shall repair, at its cost, any damage to the Premises caused by such removal. Permittee's obligations under this Section shall survive any expiration or termination of this Permit.

18. Repair of Damage. If requested by Authority, Permittee shall promptly, at its sole cost and expense, repair any and all damage to the Premises and any personal property located thereon caused by Permittee or Permittee's Agents or Invitees. Permittee shall obtain Authority's prior written approval of any party to be used by Permittee to conduct such repair work. Alternatively, Authority may make such repairs on behalf of Permittee at Permittee's sole cost and expense. If Permittee damages Authority or Navy facilities or any personal property, the final repair costs owed by Permittee shall be determined by Authority in its sole and absolute discretion, and shall be paid by Permittee within five (5) days after Permittee's demand therefor. Permittee's obligations under this Section shall survive the cancellation, expiration or termination of this Permit.

19. Public Safety. Permittee agrees to conduct the Permitted Uses at all times in a safe and prudent manner with full regard to the public safety and to observe all applicable regulations and requests of Authority and other government agencies responsible for public safety.

20. Utilities. Authority has no responsibility or liability of any kind with respect to any utilities that may be on, in or under the Premises. Permittee shall locate any such utilities and protect them from damage arising out of Permittee's activities. Permittee shall be solely responsible for arranging and paying for all utilities necessary in connection with the Permitted Uses as set forth in the Basic Permit Information. Any such payment shall be due and payable within five (5) days after demand therefor.

21. Release and Waiver of Claims; Indemnification

21.1. Release and Waiver of Claims. Permittee, on behalf of itself and Permittee's Agents, covenants and agrees that the Authority shall not be responsible for or liable to Permittee for, and, to the fullest extent allowed by any Laws, Permittee hereby waives all rights

against the Authority and releases them from, any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses"), including, but not limited to, incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of the buildings thereon due to an earthquake or subsidence, except only to the extent such Losses are caused exclusively by the gross negligence or willful misconduct of the Authority (except as provided in Section 21.1(a) below). Without limiting the generality of the foregoing:

(a) Without limiting any other waiver contained herein, Permittee on behalf of itself and its successors and assigns, hereby waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES the Authority from, any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the Authority's decision to allow Permittee to use the Premises, regardless of whether or not such decision is or may be determined to be an act of gross negligence or willful misconduct of the Authority.

(b) Permittee covenants and agrees never to file, commence, prosecute or cause to be filed, commenced or prosecuted against the Authority any claim, action or proceeding based upon any claims, demands, causes of action, obligations, damages, losses, costs, expenses or liabilities of any nature whatsoever encompassed by the waivers and releases set forth in this Section 21.1.

(c) In executing these waivers and releases, Permittee has not relied upon any representation or statement other than as expressly set forth herein.

(d) Permittee has made such investigation of the facts pertaining to these waivers and releases as it deems necessary and assumes the risk of mistake with respect to such facts. These waivers and releases are intended to be final and binding on Permittee regardless of any claims of mistake.

(e) In connection with the foregoing releases, Permittee acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

21.2. Acknowledgment. Permittee acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Permittee realizes and acknowledges that it has agreed upon this Permit in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The waivers and releases contained herein shall survive any termination of this Permit.

21.3. Permittee's Indemnity. Permittee, on behalf of itself and Permittee's Agents, shall indemnify, protect, defend and hold harmless forever ("Indemnify") the Authority from and against any and all Losses, expressly including but not limited to, any Losses arising out of a partial or complete collapse of any building located on the Premises due to an earthquake or

subsidence, incurred in connection with or arising directly or indirectly, in whole or in part, out of: (a) any damage to or destruction of any property owned by or in the custody of Permittee or Permittee's Agents or Permittee's Invitees; (b) any accident, injury to or death of a person, including, without limitation, Permittee's Agents and Permittee's Invitees, howsoever or by whomsoever caused, occurring in, on or about the Premises; (c) any default by Permittee in the observation or performance of any of the terms, covenants or conditions of this Permit to be observed or performed on Permittee's part; (d) the use, occupancy, conduct or management, or manner of use, occupancy, conduct or management by Permittee, Permittee's Agents or Permittee's Invitees or any person or entity claiming through or under any of them, of the Premises or any Alterations; (e) the condition of the Premises; (f) any construction or other work undertaken by Permittee on or about the Premises whether before or during the Term of this Permit; or (g) any acts, omissions or negligence of Permittee, Permittee's Agents or Permittee's Invitees, or of any trespassers, in, on or about the Premises or any alterations; except to the extent that such Indemnity is void or otherwise unenforceable under any applicable Laws in effect on or validly retroactive to the date of this Permit and further except only to the extent such Losses are caused by the gross negligence and intentional wrongful acts and omissions of the Authority. Notwithstanding the foregoing, Permittee's obligations to indemnify the Authority under this Section 21.3 shall remain in full force and effect regardless of whether or not the Authority' decision to permit the Premises to the Permittee, given the seismic condition of the property, is or may be determined to be an act of gross negligence or willful misconduct of the Authority. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Authority's costs of investigating any Loss. Permittee specifically acknowledges and agrees that it has an immediate and independent obligation to defend Authority from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Permittee by Authority and continues at all times thereafter. Permittee's obligations under this Section shall survive the expiration or sooner termination of this Permit. Notwithstanding anything contained herein, to the extent such Losses are not covered by insurance required herein and subject to this Section 21.3, Permittee shall have no obligation to repair, restore or reconstruct the Premises (or to pay for the same) in the event the Premises are damaged or destroyed by an earthquake or subsidence or by any other uninsured casualty.

22. INSURANCE

22.1. Permittee's Insurance. Permittee shall procure and maintain throughout the Term of this Permit and pay the cost thereof the following insurance:

(a) If Subtenant has employees, Worker's Compensation Insurance in statutory amounts, with Employers' Liability Coverage with limits of not less than the amount set forth in the Basic Permit Information; and

(b) Comprehensive or Commercial General Liability Insurance with limits not less than the amount set forth in the Basic Permit Information, including coverage for Contractual Liability, Host Liquor Liability, Personal Injury, Advertising Liability, Independent Contractors, Explosion, Collapse and Underground (XCU), Broad Form Property Damage, Products Liability, Completed Operations and Sudden and Accidental Pollution; and

(c) Comprehensive or Business Automobile Liability Insurance with limits not less than the amount set forth in the Basic Permit Information, including coverage for owned, non-owned and hired automobiles, if applicable, which insurance shall be required if any automobiles or any other motor vehicles are operated in connection with Permittee's activity on, in and around the Premises; and

(d) Such other insurance as required by law or as the City's Risk Manager may require.

22.2. Claims Made Policy. Should any of the required insurance be provided under a claims-made form, Permittee shall maintain such coverage continuously throughout the term of this Permit, and, without lapse, for two (2) years beyond the expiration of this Permit, to the effect that, should occurrences during the Term give rise to claims made after expiration of this Permit, such claims shall be covered by such claims-made policies.

22.3. Annual Aggregate Limit. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be not less than double the occurrence limits specified above.

22.4. Additional Insureds. Liability policies shall be endorsed to name as additional insureds the "Treasure Island Development Authority, City and County of San Francisco, United States of America, acting by and through the Department of the Navy, and their officers, directors, employees and agents" (Insurance Certificate with Endorsement for such additional insureds).

22.5. Payment of Premiums. Permittee shall pay all the premiums for maintaining all required insurance.

22.6. Waiver of Subrogation Rights. Notwithstanding anything to the contrary contained herein, Authority and Permittee (each a "Waiving Party") each hereby waives any right of recovery against the other party for any loss or damage sustained by such other party with respect to the Premises or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party, to the extent such loss or damage is covered by insurance which is required to be purchased by the Waiving Party under this Permit or is actually covered by insurance obtained by the Waiving Party. Each Waiving Party agrees to cause its insurers to issue appropriate waiver of subrogation rights endorsements to all policies relating to the Premises; provided, the failure to obtain any such endorsement shall not affect the above waiver.

22.7. General Insurance Matters.

(a) All insurance policies shall be endorsed to provide thirty (30) days prior written notice of cancellation, non-renewal or reduction in coverage or limits to Authority at the address for Notices specified in the Basic Permit Information.

(b) All insurance policies shall be endorsed to provide that such insurance is primary to any other insurance available to the additional insureds with respect to claims covered under the policy and that insurance applies separately to each insured against whom claim is made or suit is brought, but the inclusion of more than one insured shall not operate to increase the insurer's limit of liability.

(c) Before commencement of activities under this Permit, certificates of insurance and brokers' endorsements, in form and with insurers acceptable to Authority, shall be furnished to Authority, along with complete copies of policies if requested by Authority.

(d) All insurance policies required to be maintained by Permittee hereunder shall be issued by an insurance company or companies reasonably acceptable to Authority with an AM Best rating of not less than A-VIII and authorized to do business in the State of California.

22.8. No Limitation on Indemnities. Permittee's compliance with the provisions of this Section shall in no way relieve or decrease Permittee's indemnification obligations herein or any of Permittee's other obligations or liabilities under this Permit.

22.9. Lapse of Insurance. Notwithstanding anything to the contrary in this Permit, Authority may elect in Authority's sole and absolute discretion to terminate this Permit upon the lapse of any required insurance coverage by written notice to Permittee.

22.10. Permittee's Personal Property. Permittee shall be responsible, at its expense, for separately insuring Permittee's Personal Property.

23. No Assignment. This Permit is personal to Permittee and shall not be assigned, conveyed or otherwise transferred by Permittee under any circumstances.

24. Copyrights. Permittee shall obtain all approvals for, and pay for all costs arising from, the use of patented, trademarked, franchised and copyrighted music, materials, devices, processes or dramatic rights used on or incorporated in the film production and related activities.

25. Ownership of Results. Authority recognizes and agrees that it shall hold no ownership or other proprietary interest in the film products created by Permittee pursuant to this Permit. Authority agrees that it shall take no action to prohibit, delay or otherwise inhibit Permittee's rights to utilize the film products created by Permittee as a result of Permittee's breach of any of the terms, covenants or conditions of this Permit.

26. No Joint Venture or Partnership; Independent Contractor. This Permit does not create a partnership or joint venture between Authority and Permittee. Permittee shall be solely responsible for all matters relating to the payment of its employees, including, without limitation, compliance with any federal, state or local law and all other regulations governing such matters.

27. Impossibility of Performance. If, for any reason, an unforeseen event occurs which is beyond the control of Authority or Permittee, including, but not limited to, fire, casualty or labor strike, which event renders impossible the fulfillment of any term of this Permit, Permittee and Authority shall have no right to nor claim for damages against the other.

28. Possessory Interest Taxes; Payment of Taxes. Permittee recognizes and understands that this Permit may create a possessory interest subject to property taxation and that Permittee may be subject to the payment of property taxes levied on such interest under applicable law. Permittee agrees to pay taxes of any kind, including possessory interest taxes, if any, that may be lawfully assessed on Permittee's interest under this Permit or use of the Premises pursuant hereto and to pay any other taxes, excises, licenses, permit charges, possessory interest taxes, or assessments based on Permittee's usage of the Premises that may be imposed upon Permittee by applicable law.

29. **Notices**. Except as otherwise provided herein, any notices given under this Permit shall be addressed to the Authority and Permittee at the addresses set forth in the Basic Permit Information.

Notice shall be deemed given (a) two (2) business days after the date when it is deposited with the U.S. Mail, if sent by first class or certified mail, (b) one (1) business day after the date when it is deposited with an overnight carrier, if next business day delivery is required, (c) upon the date personal delivery is made, or (d) upon the date when it is sent by facsimile, if the sender receives a facsimile report confirming such delivery has been successful and the sender mails a copy of such notice to the other party by U.S. first class mail on such date.

30. **Location Credit**. Permittee shall expressly give credit to the "Treasure Island Development Authority" and the "City and County of San Francisco" in the credits of any film resulting from the activities under this Permit. Such credit shall be accorded on screen, with size, placement and all other aspects thereof determined in Permittee's sole discretion but consistent with other "thank you" type credits accorded to locations of filming, if any. Permittee's obligations under this Section shall survive the cancellation, expiration or termination of this Permit.

31. **Production/Film Coordination.** No filming on the Premises shall depict the U.S. Military in any manner and Permittee shall obtain the Navy's prior written approval to all filming in outdoor areas. Permittee further acknowledges and agrees to verify in writing to the Navy that any production being filmed at the Premises does not depict the U.S. Military in any manner (or to obtain the Navy's consent thereto) and to furnish a copy of the shooting script to Patricia McFadden, BRAC Field Team Leader, Caretaker Site Office, 410 Palm Avenue, First Floor, Treasure Island, San Francisco CA 94130. Whether the U.S. Military is being depicted is the only aspect of script content that is appropriate for the Navy's review. The portrayal of any subject material other than the U.S. Military is the sole responsibility of Permittee.

32. **MacBride Principles - Northern Ireland**. The City and County of San Francisco urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Permittee acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

33. **Non-Discrimination**.

33.1 Covenant Not to Discriminate. In the performance of this Permit, Permittee covenants and agrees not to discriminate on the basis of any fact or perception of a person's race, color, creed, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, height, weight or acquired immune deficiency (AIDS) or HIV syndrome against any employee of, any City or Authority employee working with, or applicant for employment with, Permittee, in any of Permittee's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Permittee.

33.2 Subcontracts. Permittee shall include in all subcontracts relating to the Premises a non-discrimination clause applicable to such subcontractor in substantially the form of Section 33.1 above. In addition, Permittee shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. Permittee's failure to comply with the obligations in this Section shall constitute a material breach of this Permit.

33.3 Non-Discrimination in Benefits. Permittee does not as of the date of this Permit and will not during the term of this Permit, in any of its operations in San Francisco or where the work is being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

33.4 Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the use of City property are incorporated in this Section by reference and made a part of this Permit as though fully set forth herein. Permittee shall comply fully with and be bound by all of the provisions that apply to this Permit under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Permittee understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars ($50) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Permit may be assessed against Permittee and/or deducted from any payments due Permittee.

34. **Tropical Hardwoods and Virgin Redwood.** The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product, except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code. Permittee agrees that, except as permitted by the application of Sections 802(b) and 803(b), Permittee shall not use or incorporate any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product in the performance of this Permit.

35. **No Tobacco Advertising**. Permittee acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of

the Authority, including the property which is the subject of this Permit. This prohibition includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

36. **Conflicts of Interest**. Through its execution of this Permit, Permittee acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Sections 87100 et seq. and Sections 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provision, and agrees that if Permittee becomes aware of any such fact during the term of this Permit, Permittee shall immediately notify Authority.

37. **Food Service Waste Reduction**. Permittee agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Permit as though fully set forth. This provision is a material term of this Permit. By entering into this Permit, Permittee agrees that if it breaches this provision, Authority will suffer actual damages that will be impractical or extremely difficult to determine; further, Permittee agrees that the sum of One Hundred Dollars ($100.00) liquidated damages for the first breach, Two Hundred Dollars ($200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars ($500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that Authority will incur based on the violation, established in light of the circumstances existing at the time this Permit was made. Such amounts shall not be considered a penalty, but rather agreed monetary damages sustained by Authority because of Permittee's failure to comply with this provision.

In addition, if 2,000 or more of Permittee's Agents and/or Permittee's Licensee's will be at the Premises, Permittee shall submit a recycling and waste reduction plan to the Authority's Events Coordinator and comply with State Assembly Bill 2176 (Montanez, Chapter 879, Statutes of 2004).

38. **Security Deposit**. Permittee shall pay to Authority upon execution of this Permit a security deposit in the amount set forth in the Basic Permit Information as security for the faithful performance of all terms, covenants and conditions of this Permit. Permittee agrees that Authority may (but shall not be required to) apply the security deposit in whole or in part to remedy any damage to the Premises caused by Permittee, Permittee's Agents or Permittee's Invitees, or any failure of Permittee to perform any other terms, covenants or conditions contained in this Permit, without waiving any of Authority's other rights and remedies hereunder or at law or in equity. Authority's obligations with respect to the security deposit are solely that of debtor and not trustee. Authority shall not be required to keep the security deposit separate from its general funds, and Permittee shall not be entitled to any interest on such deposit. The amount of the security deposit shall not be deemed to limit Permittee's liability for the performance of any of its obligations under this Permit. To the extent that Authority is not entitled to retain or apply the security deposit pursuant to this Section 38, Authority shall return such security deposit to Permittee within forty-five (45) days of the termination of this Permit, or such longer period as is reasonably necessary for Authority to confirm Permittee's compliance with the requirements of this Permit.

39. **General Provisions**. **(a)** This Permit may be amended or modified only by a writing

signed by Authority and Permittee. **(b)** No waiver by any party of any of the provisions of this Permit shall be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in such written waiver. **(c)** This instrument (including the exhibit(s) hereto) contains the entire agreement between the parties and all prior written or oral negotiations, discussions, understandings and agreements are merged herein. **(d)** The section and other headings of this Permit are for convenience of reference only and shall be disregarded in the interpretation of this Permit. **(e)** Time is of the essence. **(f)** This Permit shall be governed by California law. **(g)** If either party commences an action against the other or a dispute arises under this Permit, the prevailing party shall be entitled to recover from the other reasonable attorneys' fees and costs. For purposes hereof, reasonable attorneys' fees of Authority shall be based on the fees regularly charged by private attorneys in San Francisco with comparable experience. **(h)** If Permittee consists of more than one person then the obligations of each person shall be joint and several. **(i)** Permittee may not record this Permit or any memorandum hereof. **(j)** Subject to the prohibition against assignments or other transfers by Permittee hereunder, this Permit shall be binding upon and inure to the benefit of the parties and their respective heirs, representatives, successors and assigns. **(k)** Any sale or conveyance of the property burdened by this Permit by Authority shall automatically revoke this Permit. **(l)** This Permit may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

Permittee represents and warrants to Authority that it has read and understands the contents of this Permit and agrees to comply with and be bound by all of its provisions. Permittee further represents and warrants to Authority that all information provided to Authority in the Location Form is true and correct.

PERMITTEE:

_____,
a _____

By: _____

Name: _____

Title: _____

AUTHORITY:

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____
Mirian Saez
Director of Island Operations

APPROVED AS TO FORM:

DENNIS J. HERRERA,
City Attorney

By: _____
Deputy City Attorney

TREASURE ISLAND DEVELOPMENT AUTHORITY
LANDING RIGHTS LICENSE

THIS LANDING RIGHTS LICENSE (this "License") is made and entered into this 20th day of September, 2007, by and between the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called "TIDA", as Licensor, and FISHERMAN'S WHARF BAY CRUISE CORP. dba RED AND WHITE FLEET, hereinafter called "Licensee."

In consideration of the charges to be paid under this License and of the promises and agreements contained herein and to be performed pursuant hereto, the parties promise and agree as follows:

1. **Landing Rights Granted**. TIDA grants to Licensee, subject to all of the terms, covenants, and conditions of this License, the revocable, personal, non-exclusive and non-possessory right to land vessel(s) solely for the purpose of passenger embarkation and debarkation at Pier 1 on Treasure Island in the City and County of San Francisco, State of California, as shown on Exhibit A attached hereto and made a part hereof. Said real property and all improvements and additions thereto and alterations thereof are hereinafter referred to as the "Landing Site". This License conveys no leasehold rights or interest in the real property, improvements thereto, or water constituting the Landing Site.

2. **Commencement and Term of License.** The term of this License shall commence on September 29, 2007 at 4:00 p.m. ("Commencement Date") and shall expire on September 29, 2007 at 6:00 p.m., unless terminated earlier in accordance with the terms of this License. Without limiting any of its rights hereunder, TIDA may revoke this License at any time prior to the expiration date and time, without cause and without any obligation to pay any consideration to Licensee.

3. **Use.**

3.1 Permitted Uses.

(a) Casual Landing(s). The Landing Site shall be used by Licensee for a Casual Landing in connection with the Brennan/Zucker wedding taking place on Treasure Island on September 29, 2007. A "Casual Landing", as used herein, is defined as the landing, berthing, loading or unloading of passenger vessels for non-common carrier special excursion service.

(b) Support Functions. The Landing Site also may be used for loading of ship's gear onto vessels, for loading of stores onto vessels used for Casual Landings, and for other support functions reasonably appurtenant to vessel landings, and for no other purposes. Changes in type

or function of business or changes in use of the Landing Site shall be made only upon the express written consent of TIDA.

3.2 **Coast Guard Certificates**. The effectiveness of this License is expressly conditional upon Licensee maintaining a valid Certificate of Inspection from the U.S. Coast Guard for each vessel to be landed at the Landing Site. If such certificates are not obtained by the Commencement Date or are revoked, terminated, or expire at any time thereafter, this License shall be null and void and of no effect as to any vessel for which the Coast Guard Certificate of Inspection has been revoked, terminated or expired, except that this License shall not be null and void as to any obligations owed by Licensee pursuant to Sections 4,5,10,13 and 14 hereof.

3.3 **Operational Requirements.**

(a) **Sufficient Personnel**. Licensee shall have sufficient personnel to immediately and efficiently secure the vessel to the Landing Site, to control Licensee's crowds, to provide for safe embarkation and debarkation, and to direct Licensee's passengers to and from the ramp area. Licensee shall use its best efforts (i) to ensure that in the ramp areas marked on Exhibit A there is no drinking, no eating and no loitering by Licensee's passengers and (ii) to keep such areas of the Landing Site free and clean of litter and other debris generated by Licensee's passengers.

(b) **Closing of Gangways/Ramps and Gates**. At the conclusion of each Casual Landing, Licensee shall be responsible for closing any ramps or gates to the public and for properly securing the gangways.

(c) **Two-Way Communication System.** Licensee's vessel shall have a two-way shore communication system capable of communicating with other vessels in the San Francisco Bay area and with the Landing Site. TIDA shall provide a public address system via telephone line, and Licensee shall have the right to use said system to make service-related announcements.

(d) **Sunken or Disabled Vessel**. In the event that a vessel operated by Licensee is disabled or is in danger of sinking, or shall in fact sink while located at the Landing Site, the approaches thereto, or while coming into or going from said Landing Site, or while turning, whether such disaster be partial or total and regardless of the cause thereof, as soon as possible Licensee will, at its own expense, remove the disabled vessel and leave the Landing Site and approaches thereto by land and by water free of any disabled vessels or wreckage. If in TIDA's opinion Licensee fails to remove any such obstruction promptly on demand, TIDA may remove it or cause it to be removed at the sole risk and expense of Licensee.

(e) **Reporting Accidents**. Licensee shall notify TIDA in writing of any incident or accident involving personal injury or property damage, which occurs on or in proximity of the Landing Site. Such notice shall be given within twenty-four hours after said incident or accident occurs. Failure to timely report such incidents or accidents shall constitute a default under this License, pursuant to Section 15.1(b).

(f) Reporting Damage. Licensee shall report damage to the Landing Site in accordance with Section 10 below.

3.4 Operational Restrictions. Licensee's use of the Landing Site as provided for in this License shall be in accordance with the following limitations:

(a) Insurance. Licensee shall not do, bring, or keep anything in or about the Landing Site, which will cause a cancellation of any insurance as required pursuant to this License covering the Landing Site.

(b) Waste. Licensee shall not use the Landing Site in any manner that will constitute waste, nuisance, or unreasonable annoyance.

(c) Damage. Licensee shall not do anything on the Landing Site that will cause damage to the Landing Site.

(d) Quiet Operation. Licensee shall conduct its operations in a quiet, orderly, and courteous manner, so as not to annoy, disturb, or offend neighboring buildings or tenants.

(e) Passenger Capacity. Licensee shall not transport passengers in excess of the passenger capacity as stated in a vessel's U. S. Coast Guard Certificate of Inspection or as otherwise limited by TIDA or governmental rules and regulations.

(f) No Obstructions. Licensee shall not place barriers or obstructions in those areas shown on Exhibit A. The areas so designated in Exhibit A shall remain clear of barriers or obstructions at all times. The Landing Site shall not be used as a storage place for any gangways, gear or equipment without the prior written consent of TIDA.

(g) Repairs and Fueling at Landing Site. Licensee shall not fuel or repair (except for minor or emergency repairs) vessel(s) while at the Landing Site.

(h) Handling of Waste Material. Licensee shall not discharge, deposit, throw, or dump into the water or upon the Landing Site waste material of any kind, including, but not limited to, garbage, oil, sludge, refuse matter or sewage. In the event of a discharge of any type by Licensee, Licensee shall be responsible for all clean-up and remediation as provided for in Sections 12 and 14. Toilets on Licensee's vessel(s) shall be U.S. Coast Guard standard and shall not discharge waste into the water or in the vicinity of the Landing Site.

(i) Noise Control. Licensee shall not use any devices, nor operate or conduct any activity, nor allow any activities, which violate any provision of the San Francisco Noise Control Ordinance. Any devices or activities which are subject to the San Francisco Noise Control Ordinance shall incorporate advances in the art of noise control developed for the kind and level of noise emitted or produced by such devices and activities, in accordance with regulations issued by the San Francisco Police Department.

(j) **No Solicitation**. Licensee is expressly forbidden to use any public address systems or other mechanical or hand operated voice or power operated megaphones in solicitation of business or for entertainment purposes, and shall not use or employ persons to solicit business either on the Landing Site or from aboard the vessel(s) or any area or location in the vicinity of the Landing Site.

(k) **Signs**. Licensee shall not place, construct, or maintain any sign, awning, banner, or other exterior decoration on the Landing Site without TIDA's prior written consent. Any sign that Licensee shall be permitted to place, construct, or maintain on TIDA property shall comply with all laws and regulations relating thereto, and Licensee shall obtain all permits and approvals required by such laws and regulations. TIDA makes no representation with respect to Licensee's ability to obtain such approval. Licensee at its cost shall immediately remove all signs placed by it on the Landing Site at the expiration of this License or earlier if so requested by TIDA.

(l) **Advertising**. Licensee shall not place any advertisement or notice on any part of the Landing Site or approaches thereto, except in designated areas and as pre-approved by TIDA in writing in TIDA's sole and absolute discretion.

4. **Fees.** In consideration for the landing rights granted herein, Licensee shall pay to TIDA, without offset or deduction, the Casual Landing Fee equal to Two Hundred Fifty Dollars ($250.00).

4.1 **Manner of Payment.** All payments due from Licensee to TIDA under this License shall be made to TIDA without abatement, deduction, set-off, prior notice or demand, in lawful money of the United States of America at TIDA's address for notices as set forth in Section 18 of this License, or to such other person or at such other place as TIDA may from time to time designate in writing to Licensee.

4.2 **Additional Fees.** Licensee shall pay, or cause to be paid, and discharge or cause to be discharged when the same shall become due, as additional fees, all taxes, assessments, insurance premiums, repair charges, and other amounts, liabilities and obligations of every description which Licensee assumes or agrees to pay or discharge pursuant to this License, together with every fine, penalty, interest or other charge which may be added for non-payment or late payment pursuant to the terms of this License, whether payable to TIDA or other persons or parties designated herein. If Licensee fails to pay or discharge any such amount, liability or obligation, TIDA shall have all rights, powers and remedies provided herein or by law in the case of non-payment of the obligation.

5. **Intentionally Omitted.**

6. **Taxes and Assessments**.

6.1 Payment of Taxes. During the Term of this License, Licensee agrees to pay, if applicable, when due, to the proper authority any and all taxes, assessments and similar charges on the Landing Site in effect at the time this License is entered into or which become effective thereafter, including all taxes levied or assessed on the possession, use or occupancy, as distinguished from the ownership of the Landing Site. Licensee shall not permit any such taxes, charges or other assessments to become a defaulted lien on the Landing Site or the improvements thereon; provided, however, that in the event any such tax, assessment or similar charge is payable in installments, Licensee may make, or cause to be made, payment in installments; and provided, further, that Licensee may, through such proceeding as Licensee considers necessary or appropriate, contest the legal validity or the amount of any tax, assessment or similar charge, Licensee shall nevertheless pay all such charges when due. In the event of any such contest, Licensee shall protect and indemnify TIDA against all losses, damages, costs, or expenses, including attorneys' fees resulting therefrom.

6.2 Possessory Interest Tax. Licensee acknowledges and understands that a possessory interest subject to property taxation may be created by this License and that Licensee may be subject to the payment of property taxes levied on Licensee's possessory interest.

7. Compliance with Laws and Regulations. Licensee, at Licensee's cost and expense, shall comply with all laws, ordinances, judicial decisions, orders and regulations of federal, state, county and municipal governments and the departments, courts, commissions, boards and officers thereof pertaining to Licensee's use of the Landing Site in effect either at the time of execution of this License or at any time during the Term.

Licensee further agrees to be responsible for compliance with 42 USC 12101, et seq., commonly known as the Americans with Disabilities Act ("ADA"), for any gangways or other devices used for vessel access, which Licensee may from time to time provide or use for access to the Landing Site.

Licensee understands and agrees that TIDA is entering into this License in its capacity as the owner of a proprietary interest in the Landing Site and not as a regulatory agency with certain police powers. TIDA's legal status as a public agency shall in no way limit the obligation of Licensee to obtain any required approvals from City departments, boards or commissions that have jurisdiction over the Landing Site. By entering into this License, TIDA is in no way modifying or limiting the obligation of Licensee to cause the Landing Site to be used in accordance with all laws, rules and regulations of the City, the State of California and the United States.

8. Regulatory Approvals. Licensee understands that Licensee's operations at the Landing Site or certain alterations, changes in use or improvements to the Landing Site may require an authorization, approval or permit (collectively, "regulatory approval") from a regulatory agency with jurisdiction over the Landing Site, including but not limited to the Bay Conservation and Development Commission ("BCDC"). Licensee shall be solely responsible for obtaining any such regulatory approval if such is necessary. Licensee shall not seek any regulatory approval

without first obtaining the written approval of TIDA, which approval shall not be unreasonably withheld. All costs associated with applying for and obtaining any necessary regulatory approval shall be borne by Licensee. Licensee shall be solely responsible for complying with any or all conditions imposed by regulatory agencies as part of a regulatory approval. Any fines or penalties imposed as a result of the failure of Licensee to comply with the terms and conditions of any regulatory approval shall be paid and discharged by Licensee, and TIDA shall have no liability, monetary or otherwise, for said fines and penalties. To the fullest extent permitted by law, Licensee agrees to indemnify and hold TIDA harmless from any and all losses, including attorneys' fees, which TIDA may incur as a result of Licensee's non-compliance with the terms and conditions of any regulatory approval; provided, however, such indemnification shall not include losses resulting from any defect or deficiency in the design, construction or installation of the Landing Site.

9. Assignment and Agents. Licensee shall not at any time assign, transfer, sell a controlling interest of, hypothecate, or grant control of this License to any person or entity.

10. Maintenance and Repair; Damage by Licensee.

10.1 Maintenance and Repair. Licensee shall notify TIDA in writing if it deems that any maintenance or repairs to the Landing Site are necessary. Licensee shall not perform maintenance or repair of the Landing Site. Upon receipt of such notification, TIDA shall promptly investigate the matter, and if TIDA determines that such maintenance or repairs are necessary, TIDA shall perform the same when reasonably practicable for TIDA to do so. If TIDA refuses to perform the maintenance or repairs requested, or if TIDA fails to perform the maintenance or repairs when reasonably practicable for TIDA to do so, and TIDA received written notification from Licensee to perform the same, any liability which occurs as a direct result of such non-repair shall be excluded from Licensee's indemnity of TIDA set forth in Section 14.2 hereof.

10.2 Damage. Licensee shall be responsible for any and all damage, other than normal wear and tear, incurred during the Term hereof which arises out of or in connection with Licensee's, its agents', employees', contractors' or invitees', use of the Landing Site or approaches thereto. If Licensee damages the Landing Site, Licensee shall take immediate steps to mitigate the damage to prevent injury or further damage. Licensee shall notify TIDA's representative immediately of such damage but in no event more than three (3) hours after the occurrence thereof, and Licensee shall inform TIDA of the mitigating action it will take or has taken. Licensee shall repair, or cause to be repaired, the damage after (i) receiving TIDA approval of the design, plans and specifications, if any, through the building permit process, (ii) receiving approval from TIDA of the contractor, (iii) obtaining all necessary permits, and (iv) complying with any other reasonable requirements of TIDA. TIDA may in its discretion repair any such damage at the sole cost and expense of Licensee, and Licensee shall pay such costs within thirty (30) days after notice thereof.

11. Suitability; Acceptance. TIDA makes no representation or warranty with regard to the safety, suitability or fitness of the Landing Site for Licensee's use. Licensee represents that it has visually examined the Landing Site to determine its condition and suitability for the conduct of Licensee's business and has accepted the Landing Site in an "As-Is" condition. TIDA makes no warranty or representation regarding the seismological condition of the Landing Site or any other matter whatsoever relating to the Landing Site or its use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

Without limiting the foregoing, Licensee expressly acknowledges that it received and read that certain report dated August 1995, entitled "Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions," prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco (the "Seismic Report"), a copy of the cover page of which is attached hereto as Exhibit B. Licensee has had an adequate opportunity to review the Seismic Report with expert consultants of its own choosing. The Seismic Report, among other matters, describes the conditions of the soils on Treasure Island and points out that in the area where the Landing Site is located, an earthquake of magnitude 7 or greater is likely to cause the ground under and around the Landing Site to spread laterally to a distance of ten (10) or more feet and/or result in other risks. In that event, there is a significant risk that any structures or improvements located on or about the Landing Site may fail structurally and collapse.

11.1 Damage by Fire or Other Casualty. If the Landing Site is partially or totally destroyed or damaged by fire or other casualty, TIDA, in TIDA's sole and absolute discretion, shall have the option of (a) terminating this License by giving Licensee written notice thereof or (b) repairing such damage when reasonably practicable for TIDA to do so, and this License shall remain in full force and effect; provided that, if the damage to the Landing Site is not the result of the act, neglect, default, or omission of Licensee, its agents, employees, contractors, or invitees, Licensee shall be entitled to a pro rata reduction of its Casual Landing Fee in accordance with the extent that Licensee is unable to use the Landing Site. Licensee's right to a reduction of its Casual Landing Fee under this Section 11 shall be Licensee's sole remedy in connection with any such damage.

11.2 Acts of God. Nothing contained herein shall require either Licensee or TIDA to repair or replace the improvements as a result of damages caused by acts of war, earthquake, tidal wave, or other acts of God, except that this provision shall not affect the obligations of Licensee to make repair to improvements for damages required to be covered by insurance maintained by Licensee under Section 13 hereof.

11.3 Eminent Domain

(a) If all or part of the Landing Site shall be taken by any public or quasi-public authority under the power of eminent domain or conveyance in lieu thereof, this License shall terminate as to any portion of the Landing Site so taken or conveyed on the date when title or the right to possession vests in the condemnor.

(b) If (i) a part of the Landing Site shall be taken by any public or quasi-public authority under the power of eminent domain or conveyance in lieu thereof, and (ii) Licensee is reasonably able to continue landing its vessels in that portion of the Landing Site remaining, and (iii) TIDA, in TIDA's absolute discretion, elects to restore the Landing Site to an architectural whole, then this License shall remain in effect as to said portion of the Landing Site remaining, with no reduction in the Landing Fees or other amounts due hereunder. If, after a partial taking, Licensee is not reasonably able to continue landing its vessels at the Landing Site or TIDA elects not to restore the Landing Site, this License may be terminated by either TIDA or Licensee by giving written notice to the other party.

(c) TIDA shall be entitled to any and all payment, fees, income, rent, award, or any interest therein whatsoever which may be paid or made in connection with such taking or conveyance, and Licensee shall not have a claim against TIDA or otherwise for the value of this License.

12. **Hazardous Materials.**

12.1 **Requirements for Handling.** Licensee, its agents, employees, contractors or invitees shall not handle on or about the Landing Site any Hazardous Material without the prior written consent of TIDA, which consent may be withheld in TIDA's sole and absolute discretion.

12.2 **Licensee Responsibility.** Subject to the restrictions set forth in Section 12.1 hereof, Licensee shall handle all Hazardous Materials discovered on the Landing Site as a result of Licensee's improvements and/or alterations to the landing site, or introduction on the Landing Site during the Licensee's occupancy of the Landing Site, in compliance with all Environmental Laws. Licensee shall protect its employees and the general public in accordance with all Environmental Laws. TIDA may from time to time request, and Licensee shall be obligated to provide, information reasonably adequate for TIDA to determine that any and all Hazardous Materials are being handled in a manner which complies will all Environmental Laws. TIDA shall have the right to inspect the Landing Site for Hazardous Materials.

12.3 **Requirement to Remove.** Prior to termination of this License, Licensee, at its sole cost and expense, shall remove any and all Hazardous Materials, including any discharge as described in Section 3.5(h), introduced on or about the Landing Site by Licensee, its agents, employees, contractors, invitees and licensees. Further, Licensee, at its sole cost and expense, shall remove any Hazardous Material introduced on the Landing Site by Licensee, its agents, employees, contractors or invitees which is required to be removed by any governmental agency, including TIDA; provided however, that Licensee shall not be obligated to remove any Hazardous Material introduced onto the Landing Site during the Term by TIDA or any of its officers, agents or employees, or by other licensees.

12.4 **Licensee's Environmental Condition Notification Requirements.**

(a) **Notification of Any Release or Discharge**. Licensee shall immediately notify TIDA in writing of any release or discharge of any Hazardous Materials, whether or not the release is in quantities that under any law would require the reporting of such release to a governmental or regulatory agency.

(b) **Notification of Any Notice, Investigation, or Claim**. Licensee shall also immediately notify TIDA in writing of, and shall contemporaneously provide TIDA with a copy of,

(i) Any written notice of release of Hazardous Materials in the Landing Site that is provided by Licensee or any sub-licensee or other occupant of the Landing Site to a governmental or regulatory agency;

(ii) Any notice of a violation, or a potential or alleged violation, of any Environmental Law that is received by Licensee or any sublessee or other occupant of the Landing Site from any governmental or regulatory agency;

(iii) Any inquiry, investigation, enforcement, cleanup, removal, or other action that is instituted or threatened by a governmental or regulatory agency against Licensee or sublessee or other occupant of the Landing Site and that relates to the release or discharge of Hazardous Materials on or from the Landing Site;

(iv) Any claim that is instituted or threatened by any third party against Licensee or any sublessee or other occupant of the Landing Site and that relates to any release or discharge of Hazardous Materials on or from the Landing Site; and

(v) Any notice of the loss of any environmental operating permit by Licensee or any sublessee or other occupant of the Landing Site.

12.5 **Failure to Comply**. Failure to comply with this Section 12 shall constitute a material default under this License. In the event of such default, TIDA shall have all rights available under this License and at law or equity including, without limitation, the right to either:

(a) Terminate this License and collect damages TIDA incurs as a result of such default, including, without limitation, cleanup costs incurred by TIDA resulting from the cleanup of any Hazardous Materials released into the Landing Site, soil, or groundwater; or

(b) Require the cleanup of such Hazardous Materials at the Licensee's sole expense while still enforcing the remaining terms and obligations of the License.

12.6 **Survival**. The obligations within this Section 12 shall survive the expiration or earlier termination of the License.

13. **Insurance.**

13.1 Required Licensee Insurance. During the Term of this License, Licensee shall maintain, in full force and effect at its own cost and expense, the following insurance:

(a) Comprehensive General Liability Insurance with limits not less than Five Million Dollars ($5,000,000.00) each occurrence Combined Single Limit Bodily Injury and Property Damage, including coverages for contractual liability, independent contractors, broadform property damage, personal injury, products and completed operations, and fire damage and legal liability with limits not less than Two Hundred Fifty Thousand Dollars ($250,000.00);

(b) Comprehensive or Business Automobile Liability Insurance with limits not less than One Million Dollars ($1,000,000.00) each occurrence Combined Single Limit Bodily Injury and Property Damage, including owned, non-owned and hired auto coverages which will apply only if Licensee, its agents, employees and licensees use motor vehicles in connection with its use of the Landing Site;

(c) Worker's Compensation Insurance with Employers Liability limits not less than One Million Dollars ($1,000,000.00) for each accident including U.S. Longshore and Harborworker's Act and Jones Act coverage's on employees eligible for each. In the event Licensee is self-insured, it shall furnish a Certificate of Permission to Self-Insure signed by Department of Industrial Relations, Administration of Self-Insurance, Sacramento, California;

(d) Protection and Indemnity (Watercraft Liability) Insurance for marine operations with a limit of not less than Five Million Dollars ($5,000,000.00) each occurrence;

13.1 Insurance Requirements.

(a) Should any of the required insurance be provided under a claims-made form, Licensee shall maintain or cause to be maintained such coverage continuously throughout the Term of this License and, without lapse, for a period three years beyond the License expiration, to the effect that, should occurrences during the Term give rise to claims made after expiration of this License, such claims shall be covered by such claims-made policies.

(b) Should any of the required insurance be provided under a form of coverage that includes an annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be double the occurrence limits specified above.

(c) All liability policies required by this License shall name as additional insureds the Treasure Island Development Authority, the City and County of San Francisco ("City") and the United States of America acting by and through the Department of the Navy, and their officers, agents and employees, and shall be primary to any other insurance available to the additional insureds. All policies shall provide thirty (30) days prior written notice of cancellation,

non-renewal or reduction in coverage in person or by mail to TIDA's address as set forth in Section 18.1 of this License. Licensee shall furnish or cause to be furnished certificates of insurance in a form acceptable to TIDA evidencing all coverages required above prior to the Commencement Date with complete copies of policies upon TIDA's request.

(d) All liability policies shall be issued by a company or companies reasonably acceptable to TIDA.

(e) Approval of the insurance by TIDA shall not relieve or decrease the liability of Licensee, or its agents, hereunder. The coverages described in this Section 13 shall not be construed to be a substitute in any respect for Licensee's obligations under this License. If it is found to be the general commercial practice in the San Francisco Bay Area to carry insurance in amounts substantially greater or lesser than the amounts carried by Licensee with respect to risks comparable to those associated with the Landing Site, the amounts carried by Licensee may at the discretion of TIDA be increased or decreased to conform to such general commercial practice.

14. Indemnity and Exculpation.

14.1 Exculpation. Licensee, as a material part of the consideration to be rendered to TIDA, hereby waives any and all claims against TIDA, City and its officers, agents and employees, and agrees to hold TIDA and City and its officers, agents and employees harmless from any claims for damages to goods, wares, goodwill, merchandise, equipment or business opportunities and by persons in, upon or about said Landing Site and vessels of Licensee for any cause arising at any time out of Licensee's activities at the Landing Site, including all claims arising from the joint or concurrent negligence of TIDA or City, or their officers, agents, or employees, but excluding any intentionally harmful acts committed solely by TIDA or City.

14.2 Indemnity. Except as set forth in Section 10 above, Licensee shall hold TIDA, City and their officers, agents and employees harmless from, and, if requested, shall defend them against, any and all claims, direct or vicarious liability, damage or loss arising out of: (a) any injury to or death of any person or damage to or destruction of any property occurring in, on or about the Landing Site or vessels or ferryboats of Licensee, or any part thereof, from any cause unless such cause has no connection, association or relationship whatsoever with Licensee's or any other licensees' operations, business, activities or personal property on or about the Landing Site, or (b) any default by Licensee in the observance or performance of any of the terms, covenants or conditions of this License, or (c) the use, occupancy or condition of the Licensee's vessels, the Landing Site or Licensee's activities therein. The foregoing indemnity obligation of Licensee shall include, but not be limited to, claims, liability, damage or loss predicated, in whole or in part, upon active or passive negligence of TIDA, City and their officers, agents or employees, and shall exclude only claims, liability, damage or loss resulting solely and exclusively from the willful misconduct of TIDA, City or their authorized representatives. The foregoing indemnity obligation of Licensee shall include reasonable attorneys' fees, investigation costs and all other reasonable costs and expenses incurred by TIDA or City from the first notice that any claim or demand is or may be made. The provisions of this Section 14 shall survive the

termination of this License with respect to any damage, destruction, injury or death occurring prior to such termination.

In addition to Licensee's obligation to indemnify TIDA and City, Licensee specifically acknowledges and agrees that is has an immediate and independent obligation to defend TIDA and City from any claim that actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent. Licensee's obligation to defend shall arise at the time such claim is tendered to Licensee by TIDA and/or City and shall continue at all times thereafter.

The foregoing indemnity obligation of Licensee shall include without limitation, indemnification from all loss and liability, including attorney's fees, court costs and all other litigation expenses. This indemnification by Licensee shall begin from the first notice that any claim or demand is or may be made. The provisions of this section shall survive the termination of this License with respect to any damage, destruction, injury or death occurring prior to such termination.

14.3 Hazardous Materials Indemnity. Licensee shall indemnify, defend and hold TIDA and City harmless from any and all claims, judgments, damages, penalties, fines, cost, liabilities, or losses which arise during or after the Term as a result of the handling of Hazardous Materials, as defined in Section 12, on the Landing Site or on the vessels of Licensee, including any discharge as described in Section 3.5(h), by Licensee, its agents, employees, invitees, and licensees including without limitation, costs of investigating and remediating the Landing Site, the surrounding area or the San Francisco Bay, diminution in value of the Landing Site, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Landing Site, damages arising from any adverse impact on marketing of any such space, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees. This indemnification of TIDA and City by Licensee includes, but is not limited to, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work requested by TIDA or required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil, water or ground water on or under the Landing Site. Without limiting the foregoing, if the presence of any Hazardous Material on or about the Landing Site caused or permitted by Licensee results in any contamination of the Landing Site or of the San Francisco Bay, Licensee, at its sole expense, shall promptly take all action that is necessary to return the Landing Site and the Bay to the condition existing prior to the introduction of such Hazardous Material onto the Landing Site or Bay, provided that TIDA's written approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions could not potentially have any material adverse effect upon the Landing Site or the San Francisco Bay. Licensee's obligations hereunder shall survive the termination of this License.

14.4 Cross Indemnification. Licensee agrees that it will indemnify and defend any other licensee using the Landing Site for any and all claims, damage or loss to the extent that such claims, damage or loss are the result of the negligence of Licensee. The agreement to

indemnify and defend extends only to those licensees who have agreed to defend and indemnify other licensees, including Licensee, on the same terms. TIDA agrees to insert this clause into other license agreements for the use of the Landing Site for ferry passenger vessel service or for Casual Landings and to require such other licensees to agree to the foregoing cross indemnification.

15. Default.

15.1 Licensee's Default. The occurrence of any of the following shall constitute a default by Licensee:

(a) Failure to submit the Casual Landing Fee prior to or on the date upon which such fee is due.

(b) Failure to report to TIDA any damage to the Landing Site or accident to passengers, pursuant to Section 10 and subsection 3.4(g), respectively.

(c) Failure to perform any other provision of this License if the failure to perform is not cured within 30 days after notice has been given to Licensee. If the default cannot reasonably be cured within 30 days, Licensee shall not be in default of this License if Licensee commences to cure the default within the 30-day period and diligently and in good faith continues to cure the default.

(d) Either (i) the failure of Licensee to pay its debts as they become due, or the written admission of Licensee of its inability to pay its debts, or a general assignment by Licensee for the benefit of creditors; or (ii) the filing by or against Licensee of any action seeking reorganization, arrangement, liquidation, or other relief under any law relating to bankruptcy, insolvency, or reorganization or seeking appointment of a trustee, receiver, or liquidator of Licensee or of any substantial part of Licensee's assets, except as to any involuntary action brought against Licensee which has been dismissed within 60 days after date of service; or (iii) the attachment, execution or other judicial seizure of substantially all of Licensee's interest in this License, unless such seizure is discharged within ten days.

Notices given under this Section shall specify the alleged default and shall demand that Licensee perform the provisions of this License or submit the fees that are in arrears within the applicable cure period if any, or quit use of the Landing Site. No such notice shall be deemed a forfeiture or a termination of this License unless TIDA so elects in the notice.

15.2 TIDA's Remedies. In the event of a default by Licensee TIDA may terminate Licensee's landing rights at the Landing Site at any time. No act by TIDA other than giving written notice to Licensee shall terminate this License. In addition to termination of this License, TIDA shall have all rights and remedies pursuant to applicable law if Licensee commits a default of this License.

16. Litigation Expenses; Attorneys' Fees

16.1 Litigation Expenses. If either party hereto brings an action or proceeding (including any cross-complaint, counterclaim, or third-party claim) against the other party by reason of a default, or otherwise arising out of this License, the prevailing party in such action or proceeding shall be entitled to its costs and expenses of suit, including but not limited to reasonable attorneys' fees, which shall be payable whether or not such action is prosecuted to judgment. "Prevailing party" within the meaning of this Section 16 shall include without limitation, a party who dismisses an action for recovery hereunder in exchange for payment of the sums allegedly due, performance of covenants allegedly breached, or consideration substantially equal to the relief sought in the action.

16.2 Appeals. Attorneys' fees under this Section 16 shall include attorneys' fees on any appeal, and, in addition, a party entitled to attorneys' fees shall be entitled to all other reasonable costs and expenses incurred in connection with such action.

16.3 City Attorney. For purposes of this License, reasonable fees of attorneys of the City's Office of the City Attorney shall be based on the fees regularly charged by private attorneys with an equivalent number of years of professional experience (calculated by reference to earliest year of admission to the Bar of any state) who practice in the City in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney.

17. **City Requirements**.

17.1 MacBride Principles - Northern Ireland. The City and County of San Francisco urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Licensee acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

17.2 Non-Discrimination.

(a) Covenant Not to Discriminate. In the performance of this License, Licensee covenants and agrees not to discriminate on the basis of any fact or perception of a person's race, color, creed, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, height, weight or acquired immune deficiency (AIDS) or HIV syndrome against any employee of, any City or Authority employee working with, or applicant for employment with, Licensee, in any of Licensee's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Licensee.

(b) Subcontracts. Licensee shall include in all subcontracts relating to the Landing Site a non-discrimination clause applicable to such subcontractor in substantially the form of Section 17.2 above. In addition, Licensee shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. Licensee's failure to comply with the obligations in this Section shall constitute a material breach of this License.

(c) Non-Discrimination in Benefits. Licensee does not as of the date of this License and will not during the term of this License, in any of its operations in San Francisco or where the work is being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the use of City property are incorporated in this Section by reference and made a part of this License as though fully set forth herein. Licensee shall

comply fully with and be bound by all of the provisions that apply to this License under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Licensee understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars ($50) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this License may be assessed against Licensee and/or deducted from any payments due Licensee.

17.3 Tropical Hardwoods and Virgin Redwood. The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product, except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code. Licensee agrees that, except as permitted by the application of Sections 802(b) and 803(b), Licensee shall not use or incorporate any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product in the performance of this License.

17.4 No Tobacco Advertising. Licensee acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of the Authority, including the property that is the subject of this License. This prohibition includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

17.5 Conflicts of Interest. Through its execution of this License, Licensee acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Sections 87100 et seq. and Sections 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provision, and agrees that if Licensee becomes aware of any such fact during the term of this License, Licensee shall immediately notify Authority.

17.6 Food Service Waste Reduction. Licensee agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this License as though fully set forth. This provision is a material term of this License. By entering into this License, Licensee agrees that if it breaches this provision, Authority will suffer actual damages that will be impractical or extremely difficult to determine; further, Licensee agrees that the sum of One Hundred Dollars ($100.00) liquidated damages for the first breach, Two Hundred Dollars ($200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars ($500.00) liquidated damages for subsequent

breaches in the same year is a reasonable estimate of the damage that Authority will incur based on the violation, established in light of the circumstances existing at the time this License was made. Such amounts shall not be considered a penalty, but rather agreed monetary damages sustained by Authority because of Licensee's failure to comply with this provision.

In addition, if 2,000 or more of Licensee's Agents and/or Licensee's will be at the Landing Site, Licensee shall submit a recycling and waste reduction plan to the Authority's Events Coordinator and comply with State Assembly Bill 2176 (Montanez, Chapter 879, Statutes of 2004).

18. Notices.

18.1 Manner of Delivery. Any notice given under this License shall be in writing and given by delivering the notice in person, by commercial courier or by sending it by registered or certified mail, or Express Mail, return receipt requested, with postage prepaid, to the mailing address listed below or any other address notice of which is given. For the convenience of the parties, copies of notices may also be given by telefacsimile, to the telephone number listed below or such other numbers as may be provided from time to time.

TIDA: Treasure Island Development Authority
410 Avenue of the Palms
Building 1, 2nd Floor
Treasure Island
San Francisco, CA 94130
Attn.: Director of Island Operations
Phone No.: (415) 274-0660
Fax No.: (415) 274-0299

Licensee: Fisherman's Wharf Bay Cruise Corp. dba Red and White Fleet
Pier 43 1/2
San Francisco, CA 94133
Attn: Joe Burgard, Director of Operations
Phone No: (415) 901-5248
Fax No: (415) 447-0619

Any mailing address or telefacsimile number may be changed at any time by giving written notice of such change in the manner provided above at least ten (10) days prior to the effective date of the change. All notices under this License shall be deemed given, received, made or communicated on the date personal receipt actually occurs or, if mailed, on the delivery date or attempted delivery date shown on the return receipt. A person may not give official or binding notice by telefacsimile. The effective time of a notice shall not be affected by the receipt, prior to receipt of the original, of a telefacsimile copy of the notice.

18.2 Content. Every notice (other than the giving or withholding of consent, approval or satisfaction under this License, but including requests therefor) shall comply with the following requirements. Each such notice shall state: (i) the section of this License pursuant to which the notice is given and (ii) the period of time within which the recipient of the notice must respond or if no response is required, a statement to that effect. Each request for consent or approval shall contain reasonably sufficient data or documentation to enable the recipient to make an informed decision.

18.3 Conclusive Presumptions. If any person, including any party to this License who receives a notice which pertains to an unmatured event of default or to an intention to terminate does not notify the person who sent the notice of any alleged deficiencies in the form, content, or delivery of the notice within twenty (20) days after receipt of the notice, the notice shall be conclusively presumed to comply with all provisions of this License.

19. Time is of the Essence. Time is of the essence of each provision of this License.

20. Miscellaneous Provisions

20.1 California Law. This License shall be construed and interpreted in accordance with the laws of the State of California.

20.2 Entire Agreement. This License contains all the representations and the entire agreement between the parties with respect to the subject matter of this License. Any prior correspondence, memoranda, agreements, warranties or representations relating to such subject matter are superseded in total by this License. No prior drafts of this License or changes from those drafts to the executed version of the License shall be introduced as evidence in any litigation or other dispute resolution proceeding by any party or other person and no court or other body should consider those drafts in interpreting this License.

20.3 Amendments. No amendment of this License or any part thereof shall be valid unless it is in writing and signed by both of the parties hereto.

20.4 Severability. Except as is otherwise specifically provided for in this License, invalidation of any provision of this License, or of its application to any person, by judgment or court order, shall not affect any other provision of this License or its application to any other person or circumstance, and the remaining portions of this License shall continue in full force and effect, unless enforcement of this License as invalidated would be unreasonable or grossly inequitable under all the circumstances or would frustrate the purposes of this License.

20.5 Waiver. No delay or omission in the exercise of any right or remedy of TIDA on any default by Licensee shall impair such a right or remedy or be construed as a waiver. The receipt and acceptance by TIDA of delinquent Landing Fees or other Fees shall not constitute a

waiver of any other default; it shall constitute only a waiver of timely payment for the particular Landing Fee or other Fee payment involved.

TIDA's consent to or approval of any act by Licensee requiring TIDA's consent or approval shall not be deemed to waive or render unnecessary TIDA's consent to or approval of any subsequent act by Licensee. Any waiver by TIDA of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this License.

20.6 No Party Drafter; Captions. The provisions of this License shall be construed as a whole according to their common meaning and not strictly for or against any party in order to achieve the objectives and purposes of the parties. Any caption preceding the text of any section, section or subsection or in the table of contents is included only for convenience of reference and shall be disregarded in the construction and interpretation of this License. Wherever required by the context, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine or neuter genders, or vice versa.

20.7 Successors. The terms, covenants, agreements and conditions set forth in this License shall, subject to the provisions of Section 9 of this License, apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto, and the parties shall be jointly and severally liable hereunder.

20.8 Counterparts. For convenience, the signatures of the parties to this License may be executed and acknowledged on separate pages which, when attached to this License, shall constitute this as one complete License. This License may be executed in any number of counterparts, each of which shall be deemed to be the original and all of which shall constitute one and the same License.

21. Representations and Warranties If Licensee is a corporation, Licensee and its signatory(ies) below hereby represent, warrant and covenant to TIDA the following:

21.1 Incorporation; Status; Qualification. (a) Licensee is a duly incorporated, valid and existing corporation; (b) Licensee is in good standing under the laws of the State of California; and (c) Licensee is qualified to do business in California.

21.2 Authority of Corporation. Licensee has full corporate power and authority to enter into this License and to consummate the transactions contemplated by it. This License has been duly authorized by all necessary action on the part of Licensee and no other corporate action on the part of Licensee is necessary to authorize the execution and delivery of this License.

21.3 Authority of Signatory. Each person executing this License on behalf of Licensee represents, warrants and covenants that such person is duly authorized to execute and deliver this License on behalf of Licensee in accordance with its Bylaws and that this License is binding upon Licensee in accordance with its terms.

IN WITNESS WHEREOF, TIDA and Licensee have executed this License at San Francisco, California, as of the date first mentioned above.

LICENSEE:	**TIDA:**
FISHERMAN'S WHARF BAY CRUISE CORP., dba RED AND WHITE FLEET By: _____ Name: _____ Title: _____	TREASURE ISLAND DEVELOPMENT AUTHORITY By: _____ Mirian Saez Director of Island Operations
APPROVED AS TO FORM: DENNIS J. HERRERA, City Attorney By: _____ Deputy City Attorney	_____

EXHIBIT A

DIAGRAM OF LANDING SITE

SAMPLE

EXHIBIT B

SEISMIC REPORT

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Agenda Item No. 9 **October 10, 2007**

Resolution Approving and Authorizing the Director of Island Operations to Enter into a Management Agreement and Use Permit for an Economic Development Opportunity with the Treasure Island Homeless Development Initiative, Toolworks, and Wine Valley Catering to Provide Exclusive Marketing, Catering, and Management Services for Certain Events Venues on Treasure Island *(Action Item)*

Staff Contact/Phone: Mirian Saez,
Director of Island Operations
415-274-0660

SUMMARY OF PROPOSED ACTION

This item seeks the Authority Board's approval and authorization for the Director of Island Operations to enter into a Management Agreement and Use Permit with the Treasure Island Homeless Development Initiative ("TIHDI"), Toolworks, Inc. and Wine Valley Catering ("WVC") to provide marketing, catering, and management services for the Treasure Island Chapel, Casa de la Vista, and the Administration Building Lobby on Treasure Island (collectively, the "Venues").

BACKGROUND

On November 26, 1996, the US Department of Housing and Urban Development approved the Base Closure Homeless Assistance Agreement and Option to Lease Real Property ("Homeless Assistance Agreement") between the City & County of San Francisco (the "City") as the Local Reuse Authority for Treasure Island and TIHDI. The Homeless Assistance Agreement was drafted as an element of the City's election to comply with the conditions of the Base Closure, Community Redevelopment and Homeless Assistance Act of 1994, which requires the Local Reuse Authority to propose a plan for using base resources to assist homeless persons in the City. The Authority is the successor Local Reuse Authority.

One element of the Homeless Assistance Agreement provides TIHDI the exclusive right to propose programs for the utilization of three (3) Economic Development Opportunities which may include the lease of sites to TIHDI member organizations on the condition that the member organizations operate particular enterprises.

TIHDI submitted a preliminary proposal to the Authority for the creation of a pilot program to provide marketing, catering and event management services for the Venues. On July 11, 2007, the Authority Board authorized Authority staff to enter into sole source exclusive negotiations with TIHDI, Toolworks, Inc. and WVC for the pilot program.

JOINT VENTURE

TIHDI, Toolworks, and WVC will work together as a "Joint Venture" to combine each of their services and expertise to create a successful pilot program to operate and manage the Venues throughout the next year. The Joint Venture offers the pairing of an

established and experienced catering and event management company with a collaborative of community agencies which brokers employment and housing opportunities for the formerly homeless. This one year pilot project has the potential to provide substantial benefits to TIHDI, Toolworks, and WVC, as well as the Authority, both by creating new jobs and by generating increased revenue .

The basic framework of the Joint Venture relationship among TIHDI, Toolworks, Inc, and WVC will call for WVC to provide marketing, catering, and event management services for the Chapel, Casa de la Vista, and Administration Building Lobby, while Toolworks Inc., and other TIHDI member organizations, will provide staffing for set-up/break-down, stewarding, kitchen prep, and production work. The Authority and each of the members of the Joint Venture will enter into a Management Agreement and Use Permit substantially in the form of Exhibit A, attached hereto.

Authority Staff and the Joint Venture parties have been in exclusive negotiations to determine the exact scope of services that will be undertaken by the Joint Venture under the Management Agreement and Use Permit. The parties intend that if the one year pilot program is successful, they will negotiate a new agreement for the following year, which will be brought to the Authority Board for approval several months prior to the expiration of the first agreement.

As a result of the negotiation process, the following conditions have been established:

- The first phase of the Pilot Program will begin retroactively on October 1, 2007, through September 30, 2008. Either party may terminate the Management Agreement and Use Permit at any time upon 30 days' prior written notice, but the Joint Venture would continue to be obligated to manage events booked prior to the termination. If the Pilot Program is successful, the parties intend to negotiate the second phase, which will begin on October 1, 2008 and end on September 30, 2009.
- The Joint Venture will pay the Authority the Venue rental fees obtained for each use of the Venues, as well as 3% of gross revenue generated by food sales each month. The Authority Board will continue to set the Venue rental fees.
- The Authority will manage all events which were reserved prior to the start of the Pilot Program, October 1, 2007. Any events booked after October 1, 2007 will be managed by the Joint Venture.
- The Authority will continue to maintain the Venues throughout the first phase of the Pilot Program. The Joint Venture would be responsible to maintain the Venues throughout the second phase.
- The Joint Venture will adhere to all Rules and Regulations set forth in the Rental Policy established and practiced by the Authority.
- The Authority will evaluate the Joint Venture after each six month period, and will require monthly reports from the Joint Venture.

Clients requesting reservation of the Venues on Treasure Island will contract directly with the Joint Venture, by way of WVC. WVC will field all inquiries, provide site tours, consult with clients, and serve as the main point of contact for the client from initial inquiries through the execution of the event. Authority Staff will work closely with WVC staff to coordinate use of the Venues, schedule cleaning and maintenance, and oversee that compliance of all Rules and Regulations is met.
The overall goal of all parties involved with the Management Agreement and Use Permit is to increase use of the Venues. The boosted use of the Venues will afford employment opportunities for TIHDI members, create added occasions for the public to access Treasure Island, and increase revenue needed to sustain the Treasure Island operations.

BUDGETARY IMPACT

The Authority's main goal of entering into the Management Agreement and Use Permit with the Joint Venture parties is to not only provide employment opportunities for TIHDI members, but to increase the net revenue generated from the Venues. WVC brings significant experience in catering and event production. The Joint Venture will allow WVC to heavily market the Venues and, in turn, to increase the amount of booked events per year. This increase in rental fees generated, coupled with the 3% of gross revenue produced by food sales, will significantly increase the Special Events Budget.

QUESTIONS ADDRESSED

Two questions were asked after the initial presentation of the request to authorize exclusive negotiations for a sole-source economic development opportunity agreement with TIHDI. These questions are addressed below.

1. Director Elberling asked if WVC can provide a variety of menus based on the needs of the client and groups using the venues. WVC has developed a variety of menu choices for all budgets with varying price points, and will subcontract when it cannot provide a certain type of food needed. A "buyout" option will also be offered to those clients who wish to use a caterer other than WVC.
2. Public Comment included a request for commitment to zero-waste and that the proper recycling policies are enacted as part of this Joint Venture. The Joint Venture agrees to comply fully with all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, as well as Resource Conservation and other applicable provisions of the San Francisco Environment Code.

RECOMMENDATION

Project Staff seeks approval and authorization for the Director of Island Operations to enter into a Management Agreement and Use Permit for an Economic Development Opportunity with the Treasure Island Homeless Development Initiative, Toolworks, Inc., and Wine Valley Catering to provide exclusive marketing, catering, and management services for the Venues.

EXHIBITS

Exhibit A: Management Agreement and Use Permit among the Authority and TIHDI, Toolworks, Inc., and Wine Valley Catering.

Prepared by: Lori Mazzola, Event Coordinator
For Mirian Saez, Director of Island Operations

FILE NO. _____ RESOLUTION NO. _____

[Event Venues Management Agreement and Use Permit between the Treasure Island Development Authority, the Treasure Island Homeless Development Initiative, Toolworks, and Wine Valley Catering]

Resolution Authorizing the Director of Island Operations to Enter into a Management Agreement and Use Permit for an Economic Development Opportunity with the Treasure Island Homeless Development Initiative, Toolworks, and Wine Valley Catering to Provide Exclusive Marketing, Catering, and Management of Certain Events Venues on Treasure Island.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America (the "Navy"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, On November 26, 1996, the US Department of Housing and Urban Development approved the Base Closure Homeless Assistance Agreement and Option to Lease Real Property ("Homeless Assistance Agreement") between the City & County of San Francisco (the "City") as the Local Reuse Authority for Treasure Island and the Treasure Island Homeless Development Initiative ("TIHDI"), which Homeless Assistance Agreement was drafted as an element of the City's election to comply with the conditions of the Base

Closure, Community Redevelopment and Homeless Assistance Act of 1994 (the "Act") which requires the City to propose a plan for using base resources to assist homeless persons in the City; and,

WHEREAS, Among other things, one element of the plan described by the Homeless Assistance Agreement provides TIHDI the exclusive right to propose programs for the utilization of three (3) Economic Development Opportunities which may include the lease of sites to TIHDI member organizations for use as a multi-purpose conference center, a wedding chapel, meeting rooms and catering, on the condition that the member organizations operate the particular enterprises; and,

WHEREAS, Toolworks is a TIHDI member organization; and

WHEREAS, TIHDI submitted a proposal to the Authority, as the successor Local Reuse Authority, for a pilot program for TIHDI, Toolworks and Wine Valley Catering, a private firm (collectively, the "Parties"), to joint venture for the management of events at three (3) sites on the Property, namely the Chapel, Casa de la Vista and the lobby of the Administration Building (Building 1), which pilot program aims to increase economic development of the Property and provide employment and job training for homeless, at risk and/or disabled residents of the Property and San Francisco, while increasing event rental revenues for Authority; and,

WHEREAS, On July 11, 2007, the Authority's Board of Directors adopted Resolution No. 07-31-07/11 authorizing the Authority to enter into exclusive negotiations with the Parties for the marketing and management of the Chapel, Casa de la Vista and the lobby of the Administration Building as event venues; and,

WHEREAS, Authority and the Parties have concluded their negotiations and desire to enter into this Permit on the terms and conditions set forth below, now therefore, be it

RESOLVED, That the Authority hereby authorizes the Director of Island Operations to Enter into a Management Agreement and Use Permit for an Economic Development Opportunity with the Treasure Island Homeless Development Initiative, Toolworks, and Wine Valley Catering, substantially in the form attached hereto as Exhibit A, to provide exclusive marketing, catering, and management of certain events venues on Treasure Island; And, Be It

FURTHER RESOLVED, That the Authority hereby finds that entering into the Management Agreement and Use Permit will serve the goals of the Authority and the public interests of the City, in light of the significant services that TIHDI provides to the Authority and the Treasure Island community in furtherance of the Act and the Homeless Assistance Agreement.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on October 10, 2007.

_____
Owen Stephens, Secretary

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EVENT VENUES
MANAGEMENT AGREEMENT AND USE PERMIT

THIS EVENT VENUES MANAGEMENT AGREEMENT AND USE PERMIT (this "Permit") dated for reference only as of the 1st day of October, 2007, is made by and among the Treasure Island Development Authority, a California nonprofit public benefit corporation ("Authority"), the Treasure Island Homeless Development Initiative, a California non-profit corporation ("TIHDI"), Toolworks, a California non-profit corporation ("Toolworks"), and Wine Valley, Inc., a California corporation doing business as Wine Valley Catering ("WVC"). TIHDI, Toolworks and WVC are collectively referred to in this Permit as "Permittee".

RECITALS

WHEREAS, pursuant to those certain Leases between the United States of America and Treasure Island Development Authority for Event Venues Naval Station Treasure Island and the Southern Waterfront (collectively, the "Master Lease"), by and between the Authority and the Department of Navy (the "Navy"), copies of which are attached hereto as Exhibit A, the Authority has the right to use that certain property located on former Naval Station Treasure Island (the "Property"), as more particularly described in the Master Lease; and

WHEREAS, the Property is a former military base that was selected for closure and disposition by the Base Realignment and Closure Commission in 1993; and

WHEREAS, on November 26, 1996, the United States Department of Housing and Urban Development approved the Base Closure Homeless Assistance Agreement and Option to Lease Real Property (the "Homeless Assistance Agreement"), which was drafted as an element of the City of San Francisco's election, as the Local Reuse Authority, to comply with the conditions of the Base Closure, Community Redevelopment and Homeless Assistance Act of 1994 (the "Act"); and

WHEREAS, the Act requires the Local Reuse Authority to propose a plan for using base resources to assist homeless persons; and

WHEREAS, among other things, one element of the plan described in the Homeless Assistance Agreement provides TIHDI with the exclusive right to propose programs for the utilization of three (3) economic development opportunities, which may include the lease of sites to TIHDI member organizations for use as a multi-purpose conference center, a wedding chapel, meeting rooms and catering, on the condition that member organizations operate the particular enterprise; and

WHEREAS, Toolworks is a TIHDI member organization; and

WHEREAS, TIHDI submitted a proposal to the Authority, as the successor Local Reuse Authority, for a pilot program for TIHDI, Toolworks and Wine Valley Catering, a private firm, to joint venture for the management of events at three (3) sites on the Property, namely the Chapel, Casa de la Vista and the lobby of the Administration Building (Building 1), which pilot program aims to increase economic development of the Property and provide employment and job training for homeless, at risk and/or disabled residents of the Property and San Francisco, while increasing event rental revenues for Authority; and

WHEREAS, on July 11, 2007, the Authority's Board of Directors adopted Resolution No. 07-61-07/11 authorizing the Authority to enter into exclusive negotiations with Permittee for the

marketing and management of the Chapel, Casa de la Vista and the lobby of the Administration Building as event venues; and

WHEREAS, Authority and Permittee have concluded their negotiations and desire to enter into this Permit on the terms and conditions set forth below.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Authority and Permittee agree as follows:

1. **Basic Permit Information**

The following is a summary of the basic permit information (the "Basic Permit Information"). Each item below shall be deemed to incorporate all of the terms of this Permit pertaining to such item. In the event of any conflict between the information in this Section and any more specific provision of the Permit, the more specific provision shall control.

Authority:	TREASURE ISLAND DEVELOPMENT AUTHORITY, a California nonprofit public benefit corporation
Permittee:	Collectively, TREASURE ISLAND HOMELESS DEVELOPMENT INITIATIVE, a California non-profit corporation, TOOLWORKS, a California non-profit corporation, and WINE VALLEY, INC., a California corporation doing business as Wine Valley Catering.
Premises (Section 2):	That certain portion of the Property commonly known as the Chapel, Casa de la Vista and the Lobby of the Main Administration Building (Building 1), and portions of the parking areas adjacent thereto, all as more particularly shown on Exhibit B, attached hereto.
Structural Report (Section 5):	*Treasure Island Study, Seismic Evaluation of the Casa de la Vista* prepared by SOH & Associates, a copy of which is attached hereto as Exhibit D (the "Structural Report"). *Treasure Island Study, Seismic Evaluation of Building 1* prepared by SOH & Associates, a copy of which is attached hereto as Exhibit D (the "Structural Report").

Permitted Use (Section 6):	A pilot program for the management, operation, catering and marketing of the Premises for special events, with no more than the following number of people allowed in each of the venues, and for no other purpose whatsoever: • Chapel: maximum capacity of 250 people • Casa de la Vista: maximum capacity of 180 seated or 300 standing • Building 1 Lobby: maximum capacity of 500 seated or 900 standing The level and quality of service provided in the management and operation of the Premises and the provision of catering services shall be first class.
Parking Rights (Section 7):	Up to Seventy Five (75) vehicles may be parked in the area designated for Chapel parking on Exhibit B, attached hereto. Up to Seventy Five (75) vehicles may be parked in the area designated for Casa de la Vista parking on Exhibit B, attached hereto. Up to One Hundred (100) vehicles may be parked in the area designated for Building 1 parking on Exhibit B, attached hereto.
Permit Fees (Section 11):	Permittee shall pay Authority the applicable Venue License Fees described in Exhibit E, attached hereto, plus three percent (3%) of Gross Food Sales Revenue, as more particularly described in Section 11 below.
Term (Section 12):	Commencement Date: October 1, 2007 Expiration Date: September 30, 2008, unless terminated earlier in accordance with the terms of this Permit.
Utilities (Section 21):	Not applicable.

Insurance Limits (Section 23):	Worker's Compensation Insurance - statutory amounts Employers' Liability Coverage with limits of not less than $1,000,000 for each accident or occurrence Comprehensive or Commercial General Liability Insurance with limits not less than $1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage Comprehensive or Business Automobile Liability Insurance with limits not less than $1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage
Address for Notices (Section 29):	
Authority:	Treasure Island Development Authority 410 Avenue of the Palms Building 1, 2nd Floor Treasure Island San Francisco, CA 94130 Attn.: Director of Island Operations Phone No.: (415) 274-0660 Fax No.: (415) 274-0299
Permittee:	Treasure Island Homeless Development Initiative 410 Avenue of the Palms Building 1, First Floor San Francisco CA 94130 Attn.: Sherry Williams Phone No.: 415-274-0311 Fax No.: 415-834-9134 Toolworks 25 Kearny Street, Suite 400 San Francisco CA 94108 Attn.: Steven Crabiel, Executive Director Phone No.: 415-733-0990x617 Fax No.: 415-733-0991 Wine Valley Catering 875 Sousa Lane Napa, CA 94559 Attn: Jack Nathanson Phone No.: 707-256-2900 Fax No.: 707-256-2906
Security Deposit (Section 36):	Five Thousand Dollars ($5,000.00)

2. **License of Premises**. Authority confers to Permittee a personal, non-exclusive and non-possessory license to enter upon and use the Premises described in the Basic Permit Information for the Permitted Use, subject to the terms, conditions and restrictions set forth below.

This Permit does not constitute a grant to Permittee of any ownership, leasehold, easement or other property interest or estate in the Premises. Authority is acting only in its proprietary capacity in granting the license given to Permittee under this Permit. Permittee acknowledges that (i) such grant is effective only insofar as Authority's rights in the Premises; and (ii) Permittee must separately obtain all regulatory approvals of Authority, the City and County of San Francisco ("City") or any other applicable governmental entity necessary for the Permitted Uses. Permittee shall bear all costs or expenses of any kind in connection with its use of the Premises or any other Master Lease Property.

3. **Inspection of Premises**. Permittee represents and warrants that Permittee has conducted a thorough and diligent inspection and investigation, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns, and each of them ("Permittee's Agents"), of the Premises and the suitability of the Premises for Permittee's intended use. Permittee is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises are suitable for its operations and intended uses.

4. **As Is; Disclaimer of Representations**. Permittee acknowledges and agrees that the Premises are being licensed and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties ("Laws"), governing the use, occupancy, management, operation and possession of the Premises. Without limiting the foregoing, this Permit is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Premises, or any portion thereof, whether or not of record. Permittee acknowledges and agrees that neither Authority nor any of its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns ("Authority's Agents") have made, and Authority hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, seismological or environmental condition of the Premises, (iii) the quality, nature or adequacy of any utilities serving the Premises, (iv) the feasibility, cost or legality of constructing any Alterations on the Premises if required for Permittee's use and permitted under this Permit, (v) the safety of the Premises, whether for the use of Permittee or any other person, including Permittee's Agents or Permittee's clients, customers, vendors, invitees, guests, members, licensees, assignees or permittees ("Permittee's Invitees"), or (vi) any other matter whatsoever relating to the Premises or their use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

5. **Seismic Report and Structural Report**. Without limiting Section 4 above, Permittee expressly acknowledges for itself and Permittee's Agents that it received and read that certain report dated August 1995, entitled "*Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions,*" prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and

County of San Francisco (the "Seismic Report"), a copy of the cover page of which is attached hereto as Exhibit C. Permittee has had an adequate opportunity to review the Seismic Report with expert consultants of its own choosing. The Seismic Report, among other matters, describes the conditions of the soils on Treasure Island and points out that in the area of the Property where the Premises are located, an earthquake of magnitude 7 or greater is likely to cause the ground under and around the Premises to spread laterally to a distance of ten (10) or more feet and/or result in other risks. In that event, there is a significant risk that buildings and any other structures or improvements located on or about the Premises may fail structurally and collapse. Permittee further expressly acknowledges for itself and Permittee's Agents that it received and read that certain Structural Report identified in the Basic Permit Information, a copy of which is attached hereto as Exhibit D (the "Structural Report").

6. **Use of Premises.** Permittee may enter and use the Premises for the sole purpose of the Permitted Use described in the Basic Permit Information. Permittee shall not use, and Permittee shall prohibit Permittee's Agents and Permittee's Licensees from using, the Premises for any activities other than the Permitted Uses. Permittee agrees that, by way of example only and without limitation, the following uses of the Premises by Permittee, or any of Permittee's Agents or Permittee's Invitees, or any other person claiming by or through Permittee, are inconsistent with the limited purpose of this Permit and are strictly prohibited as provided below:

(a) **Hazardous Material**. Permittee shall not cause, nor shall Permittee allow any of Permittee's Agents or Permittee's Invitees to cause, any Hazardous Material (as defined below) to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises, or transported to or from the Premises, without the prior written consent of Authority. Permittee shall immediately notify Authority when Permittee learns of, or has reason to believe that, a release of Hazardous Material has occurred in, on or about the Premises. Permittee shall further comply with all laws requiring notice of such releases or threatened releases to governmental agencies, and shall take all action necessary to mitigate the release or minimize the spread of contamination. In the event that Permittee or Permittee's Agents or Permittee's Invitees cause a release of Hazardous Material, Permittee shall, without cost to Authority and in accordance with all laws and regulations, return the Premises to the condition immediately prior to the release. In connection therewith, Permittee shall afford Authority a full opportunity to participate in any discussion with governmental agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree or other compromise proceeding involving Hazardous Material. For purposes hereof, "**Hazardous Material**" means material that, because of its quantity, concentration or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state or local governmental authority to pose a present or potential hazard to public health, welfare or the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance, pollutant or contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601 et seq., or pursuant to Section 25316 of the California Health & Safety Code; a "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the Premises or are naturally occurring substances in the Premises, and any petroleum, including, without limitation, crude oil or any fraction thereof, natural gas or natural gas liquids. The term "**release**" or "**threatened release**" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing in, on, under or about the Premises.

(b) Nuisances. Permittee shall not conduct any activities on or about the Premises that constitute waste, nuisance or unreasonable annoyance (including, without limitation, emission of objectionable odors, noises or lights) to Authority, to the owners or occupants of neighboring property or to the public.

(c) Damage. Permittee shall not do anything about the Premises that could cause damage to the Premises or any Authority property.

7. Parking. Permittee and Permittee's Licensees shall be allowed to park up to the number of vehicles set forth in the Basic Permit Information in the areas designated for parking on Exhibit B attached hereto. To the extent practicable, Permittee shall use its best efforts to encourage ride-sharing, the use of shuttle busses or other pooled-means of transportation to and from the Premises.

8. Resource Conservation and Sustainability. Authority is committed to managing the Premises in as sustainable a manner as possible. In addition to Permittee's compliance with the requirements of Section 35 below, Permittee shall conduct its operations in accordance with all applicable provisions of the San Francisco Environment Code, including but not limited to Chapter 5, which is incorporated herein by reference. Permittee shall use best efforts to conduct its operations in accordance with sustainable practices. A breach of this Section 8 shall be a material default under this Permit.

9. Subject to Authority and City Uses. Notwithstanding anything to the contrary in this Permit, Permittee's right to use the Premises hereunder shall be subject and subordinate to Authority and City's uses of the Premises for municipal purposes. Permittee acknowledges that Authority and Red Cross have entered into a Shelter Agreement whereby the Administration Building may be used as a shelter in the event of an emergency. Permittee's rights under this Permit are subject and subordinate to the terms of the Shelter Agreement. In addition, Permittee acknowledges that the Property contains a variety of different event venues and outdoor public spaces and it is common for numerous events to be held at various venues on the Property on the same day. Permittee shall be responsible for confirming the compatibility of any special events that Permittee books with other events occurring at the Property.

Authority retains the right to use the Premises for, and retain all revenue from, all events booked by Authority prior to the Commencement Date of this Permit, as set forth on Exhibit F. Authority also retains the right to use each of the venues within the Premises for a predetermined number of dates for Authority and Island-related uses.

10. Alterations. Except as otherwise expressly provided herein, Permittee shall not construct or place any temporary or permanent structures, improvements or signs in, on, under or about the Premises, nor shall Permittee make any alterations, installations or additions ("Alterations") to any of the existing structures, improvements or signs on the Premises, unless Permittee first obtains Authority's prior written consent, which Authority may give or withhold in its sole and absolute discretion. Subject to Authority's consent as provided above, any permitted Alterations shall be done at Permittee's sole expense (i) in strict accordance with plans and specifications approved in advance by Authority in writing, (ii) by duly licensed and bonded contractors approved by Authority, (iii) in a good and professional manner, (iv) in strict compliance with all applicable laws and regulations, and (v) subject to all other conditions that Authority may reasonably impose. Upon termination of this Permit, Permittee shall remove all Alterations constructed or affixed to the Premises by or on behalf of Permittee and repair, at its sole cost and expense, any damage to the Premises caused by the installation or removal of such Alterations.

Without limiting the generality of the foregoing, Permittee acknowledges and agrees that, pursuant to Section 15 of the Master Lease, no Alterations may be made to any improvements on the Premises (i) which will affect the historic characteristics of the improvements or modify the appearance of the exterior of the improvements without Navy's and Authority's prior written consent, or (ii) if such Alterations would preclude qualifying the improvements for inclusion on the National Register for Historic Places.

11. **Permit Fees**.

(a) **Venue License Fees**. Permittee shall charge a venue license fee for each event taking place at the Premises in the applicable amount set forth in Exhibit E, attached hereto (the "Venue License Fees"). Authority shall have the right in its sole and absolute discretion to amend the Venue License Fees at any time and from time to time.

(b) **Base Fee and Percentage Fee**. Throughout the Term beginning on the Commencement Date, Permittee shall pay to Authority Permit Fees equal to (i) one hundred percent of the Venue License Fee payable for each event taking place at the Premises and all cancellation fees and non-refundable deposits associated with the cancellation or postponement of an event (the "Base Permit Fee"), plus (ii) three percent (3%) of Gross Food Sales Revenues (the "Percentage Fee"). "Gross Food Sales Revenues" means the total revenues received by Permittee from all food provided in, upon or from the Premises, and shall include any credit sales, gift certificates or other prepayments.

(b) **Payment of Permit Fees**. The Base Fee shall be payable monthly in arrears on the first day of each calendar month with respect to all Venue License Fees received during the prior month. The Percentage Fee shall be payable monthly in arrears. For each month during which the Percentage Fee is calculated, Permittee shall furnish to Authority a statement in writing, certified by Permittee to be true and correct, showing (i) the dates, times and venues that were used for events, (ii) the total Venue License Fees and the applicable Venue License Fee per event, and (iii) the total Gross Food Sales Revenues made in, upon or from the Premises and the Gross Food Sales Revenue broken out per event. The monthly statement, and the monthly payment of the Percentage Fee, shall be due and payable no later than forty-five (45) days after the end of the month in question.

(c) **Annual Report**. Within sixty (60) days after the expiration of the each anniversary of the Commencement Date, Permittee shall submit to Authority an annual statement of Gross Food Sales Revenues certified as true and correct by Permittee.

(d) **Review of Books and Records**. Authority shall have the right at any time to perform a review or audit of Permittee's books and records as may be necessary to certify the amount of Permittee's Gross Food Sales Revenues. If the amount of Gross Food Sales Revenues for any year as performed by Authority's review or audit exceeds the amount reported by Permittee by more than two percent (2%), Permittee shall immediately remit the amount of the underpayment to Authority and the cost of examination shall be paid by Permittee to Authority within thirty (30) days after Authority's written request.

(e) **Default**. Permittee's failure to provide monthly or annual statements within the time periods requirement, failure to provide access to Permittee's books and records, or any misrepresentation of Gross Food Sales Revenues by Permittee, shall be an event of default under this Permit.

(f) **Survival**. The terms of this Section 11 shall survive the expiration or earlier termination of this Permit.

12. **Term of Permit**. The privilege conferred to Permittee pursuant to this Permit shall commence on Commencement Date and shall automatically expire on the Expiration Date, unless amended in writing or sooner terminated pursuant to the terms hereof. Permittee acknowledges that the current term of the Master Lease expires on November 30, 2007 and this Permit shall expire on November 30, 2007 if the Navy does not extend the term of the Master Lease until at least September 30, 2008. Moreover, if the Master Lease terminates for any reason whatsoever, this Permit shall automatically terminate.

Either party shall have the right to terminate this Permit at any time and for any reason upon thirty (30) days' prior written notice to the other party. In the event either party exercises this early termination right, Permittee shall have the obligation to perform all services required under this Permit with respect to those events for which applications have been approved and deposits received prior to the date of the termination notice, unless Authority's termination notice specifically relieves Permittee of any such obligations.

13. **Management, Marketing and Booking Obligations**. Permittee represents that it has the necessary expertise and experience to manage, operate and maintain the Premises in a manner that attracts and books events that utilize the facilities to the fullest extent and maximize revenue to the Authority. Permittee shall serve as the primary contact for information regarding the availability and booking of events at the Premises. All phone and email inquiries and all venue site tours shall be received and handled by Permittee. All booking contracts shall be on a form approved by Authority . Permittee shall be responsible for collecting all deposits and Venue License Fees and shall issue deposit refunds directly to Permittee's Licensees. Permittee shall provide software or a comparable online program to Authority with the capability to add to and access the Master Calendar for events scheduled in the Premises. Permittee and Authority shall be in direct and frequent communication regarding all matters relating to the management, operation, catering and marketing of the Premises. Permittee shall provide Authority with monthly status reports detailing Permittee's activities under this Permit in a form acceptable to Authority.

Permittee shall actively market and advertise the Premises for events at its sole cost. Within sixty (60) days after the Commencement Date, Permittee shall provide Authority with a detailed marketing plan for the Premises. All marketing and advertising materials, including, but not limited to, online website ads, wedding guide and magazine ads, and direct mail publications, shall be approved by the Authority before issuance. Permittee shall acknowledge the Treasure Island Development Authority in all marketing materials and advertisements.

14. **Catering**.

(a) **Exclusive Right**. Subject to Subsection 14(b) below, WVC shall have the exclusive right to provide catering services for events booked in the Premises under this Permit. WVC shall subcontract for catering service if WVC cannot accommodate requests for ethnic, kosher or specialty foods requested by Permittee's clients.

(b) **Catering Buyout Option**. Permittee shall allow clients the option to "buy out" catering services in accordance with a fee schedule approved by the Authority to enable clients to use a caterer other than WVC.

(c) **Wine, Beer and Alcoholic Beverages**. Permittee shall allow clients the option to provide their own wine, beer and other alcoholic beverages to be served at an event; provided, that such clients must use a licensed beverage server approved by the Authority.

15. **Permittee Representative.** Upon the Authority's request, Permittee shall designate an individual who shall be authorized to represent Permittee on all matters relating to this Permit.

16. **Compliance with Laws**. Permittee shall, at its expense, conduct and cause to be conducted all activities on the Premises allowed hereunder in a safe and reasonable manner and in compliance with all laws, regulations, ordinances and orders of any governmental or other regulatory entity (including, without limitation, the Americans with Disabilities Act) whether presently in effect or subsequently adopted and whether or not in the contemplation of the parties. Such laws shall include, but are not limited to, local, state and federal laws prohibiting discrimination in employment and public accommodations. Permittee shall, at its sole expense, procure and maintain in force at all times during its use of the Premises any and all business and other licenses or approvals necessary to conduct the activities allowed hereunder. Permittee understands and agrees that Authority is entering into this Permit in its capacity as a property owner with a proprietary interest in the Premises and not as a regulatory agency with police powers. Permittee further understands and agrees that no approval by Authority for purposes of this Permit shall be deemed to constitute approval of any federal, state, Authority or other local regulatory authority with jurisdiction, and nothing herein shall limit Permittee's obligation to obtain all such regulatory approvals at Permittee's sole cost or limit in any way Authority's exercise of its police powers. Without limiting the foregoing, before beginning any work in the Premises and/or using the Premises, Permittee at its sole cost and expense shall obtain any and all permits, licenses and approvals (collectively, "approvals") of all regulatory agencies and other third parties that are required to commence and complete the permitted work and use the Premises including, but not limited to, approvals required by the San Francisco Fire Department (e.g. General Assembly, Tent, Open Flame, Propane, etc.), the San Francisco Police Department (e.g., alcohol consumption and/or sales), the San Francisco Entertainment Commission (e.g., Loudspeaker, Itinerant Show, etc.), San Francisco Department of Building Inspection (e.g., electrical), the San Francisco Department of Health, and the California Department of Alcoholic Beverage Control (e.g., alcohol consumption and/or sales). Permittee shall provide copies of all such approvals to Authority prior to Permittee's use of the Premises. Permittee shall pay all applicable City departments for the costs incurred by those departments in providing the use of City employees, equipment, property and facilities in connection with this Permit.

17. **Rules and Regulations**. In connection with the Permittee's use hereunder, Permittee shall comply with, and shall cause Permittee's Invitees to comply with, the Rules and Regulations attached hereto as Exhibit G. Authority reserves the right, in its sole discretion, to change such Rules and Regulations as necessary to promote or protect the public safety, health or convenience. Authority shall give Permittee reasonable prior notice of such changes; provided, however, that no such prior notice shall be required in emergency situations.

18. **Surrender**. Upon the expiration of this Permit, Permittee shall surrender the Premises in the same condition as received, free from hazards and clear of all debris. At such time, Permittee shall remove all of its property from the Premises permitted hereunder, and shall repair, at its cost, any damage to the Premises caused by such removal. Permittee's obligations under this Section shall survive any termination of this Permit.

19. **Repair of Damage**. If requested by Authority, Permittee shall promptly, at its sole cost and expense, repair any and all damage to the Premises and any personal property located thereon caused by Permittee or Permittee's Agents or Invitees. Permittee shall obtain Authority's prior written approval of any party to be used by Permittee to conduct such repair work. Alternatively, Authority may make such repairs or behalf of Permittee at Permittee's sole cost and expense. If Permittee damages Authority or Navy facilities or any personal property,

the final repair costs owed by Permittee shall be determined by Authority in its sole and absolute discretion, and shall be paid by Permittee within five (5) days after Permittee's demand therefor. Permittee's obligations under this Section shall survive the cancellation, expiration or termination of this Permit.

20. Security/Public Safety. Permittee shall be responsible at its sole cost and expense for all security necessary or appropriate in connection with events taking place at the Premises. Permittee agrees to conduct, and cause Permittee's Licensees to conduct, the Permitted Uses at all times in a safe and prudent manner with full regard to the public safety and to observe all applicable regulations and requests of Authority and other government agencies responsible for public safety. Permittee will hire any additional security or fire safety personnel required by the San Francisco Fire Department or the San Francisco Fire Department at its sole cost and expense.

21. Utilities. Authority has no responsibility or liability of any kind with respect to any utilities that may be on, in or under the Premises. Permittee shall locate any such utilities and protect them from damage arising out of Permittee's activities. Permittee shall be solely responsible for arranging and paying for all utilities necessary in connection with the Permitted Uses as set forth in the Basic Permit Information. Any such payment shall be due and payable within five (5) days after demand therefor.

22. Release and Waiver of Claims; Indemnification.

22.1. Release and Waiver of Claims. Permittee, on behalf of itself and Permittee's Agents and Permittee's Licensees, covenants and agrees that the Authority shall not be responsible for or liable to Permittee for, and, to the fullest extent allowed by any Laws, Permittee hereby waives all rights against the Authority and releases them from, any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses"), including, but not limited to, incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of the buildings thereon due to an earthquake or subsidence, except only to the extent such Losses are caused exclusively by the gross negligence or willful misconduct of the Authority (except as provided in Section 22.1(a) below). Without limiting the generality of the foregoing:

(a) Without limiting any other waiver contained herein, Permittee on behalf of itself and its successors and assigns, hereby waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Authority from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the Authority's decision to allow Permittee to use the Premises, regardless of whether or not such decision is or may be determined to be an act of gross negligence or willful misconduct of the Authority.

(b) Permittee covenants and agrees never to file, commence, prosecute or cause to be filed, commenced or prosecuted against the Authority any claim, action or proceeding based upon any claims, demands, causes of action, obligations, damages, losses, costs, expenses or liabilities of any nature whatsoever encompassed by the waivers and releases set forth in this Section 22.1.

(c) In executing these waivers and releases, Permittee has not relied upon any representation or statement other than as expressly set forth herein.

(d) Permittee has made such investigation of the facts pertaining to these waivers and releases as it deems necessary and assumes the risk of mistake with respect to such facts. These waivers and releases are intended to be final and binding on Permittee regardless of any claims of mistake.

(e) In connection with the foregoing releases, Permittee acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

22.2. Acknowledgment. Permittee acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Permittee realizes and acknowledges that it has agreed upon this Permit in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The waivers and releases contained herein shall survive any termination of this Permit.

22.3. Permittee's Indemnity. Permittee, on behalf of itself and Permittee's Agents and Permittee's Licensees, shall indemnify, protect, defend and hold harmless forever ("Indemnify") the Authority from and against any and all Losses, expressly including but not limited to, any Losses arising out of a partial or complete collapse of any building located on the Premises due to an earthquake or subsidence, incurred in connection with or arising directly or indirectly, in whole or in part, out of: (a) any damage to or destruction of any property owned by or in the custody of Permittee or Permittee's Agents or Permittee's Invitees; (b) any accident, injury to or death of a person, including, without limitation, Permittee's Agents and Permittee's Invitees, howsoever or by whomsoever caused, occurring in, on or about the Premises and arising in connection with Permittee's activities under this Permit; (c) any default by Permittee in the observation or performance of any of the terms, covenants or conditions of this Permit to be observed or performed on Permittee's part; (d) the use, occupancy, conduct or management, or manner of use, occupancy, conduct or management by Permittee, Permittee's Agents or Permittee's Invitees or any person or entity claiming through or under any of them, of the Premises or any Alterations; (e) the condition of the Premises; (f) any construction or other work undertaken by Permittee on or about the Premises whether before or during the Term of this Permit; or (g) any acts, omissions or negligence of Permittee, Permittee's Agents or Permittee's Invitees in, on or about the Premises or any alterations; except to the extent that such Indemnity is void or otherwise unenforceable under any applicable Laws in effect on or validly retroactive to the date of this Permit and further except only to the extent such Losses are caused by the gross negligence and intentional wrongful acts and omissions of the Authority. Notwithstanding the foregoing, Permittee's obligations to indemnify the Authority under this Section 22.3 shall remain in full force and effect regardless of whether or not the Authority' decision to permit the Premises to the Permittee, given the seismic condition of the Property, is or may be determined to be an act of gross negligence or willful misconduct of the Authority. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Authority's costs of investigating any Loss. Permittee specifically acknowledges and agrees that it has an immediate and independent obligation to defend Authority from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Permittee by Authority and continues at

all times thereafter. Permittee's obligations under this Section shall survive the expiration or sooner termination of this Permit. Notwithstanding anything contained herein, to the extent such Losses are not covered by insurance required herein and subject to this Section 22.3, Permittee shall have no obligation to repair, restore or reconstruct the Premises (or to pay for the same) in the event the Premises are damaged or destroyed by an earthquake or subsidence or by any other uninsured casualty.

23. INSURANCE

23.1. Permittee's Insurance. Permittee shall procure and maintain throughout the Term of this Permit and pay the cost thereof the following insurance:

(a) If Subtenant has employees, Worker's Compensation Insurance in statutory amounts, with Employers' Liability Coverage with limits of not less than the amount set forth in the Basic Permit Information; and

(b) Comprehensive or Commercial General Liability Insurance with limits not less than the amount set forth in the Basic Permit Information, including coverage for Contractual Liability, Host Liquor Liability, Personal Injury, Advertising Liability, Independent Contractors, Explosion, Collapse and Underground (XCU), Broad Form Property Damage, Products Liability, Completed Operations and Sudden and Accidental Pollution; and

(c) Comprehensive or Business Automobile Liability Insurance with limits not less than the amount set forth in the Basic Permit Information, including coverage for owned, non-owned and hired automobiles, if applicable, which insurance shall be required if any automobiles or any other motor vehicles are operated in connection with Permittee's activity on, in and around the Premises; and

(d) Such other insurance as required by law or as the City's Risk Manager may require.

23.2. Claims Made Policy. Should any of the required insurance be provided under a claims-made form, Permittee shall maintain such coverage continuously throughout the term of this Permit, and, without lapse, for two (2) years beyond the expiration of this Permit, to the effect that, should occurrences during the Term give rise to claims made after expiration of this Permit, such claims shall be covered by such claims-made policies.

23.3. Annual Aggregate Limit. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be not less than double the occurrence limits specified above.

23.4. Additional Insureds. Liability policies shall be endorsed to name as additional insureds the "Treasure Island Development Authority, City and County of San Francisco, United States of America, acting by and through the Department of the Navy, and their officers, directors, employees and agents" (Insurance Certificate with Endorsement for such additional insureds).

23.5. Payment of Premiums. Permittee shall pay all the premiums for maintaining all required insurance.

23.6. Waiver of Subrogation Rights. Notwithstanding anything to the contrary contained herein, Authority and Permittee (each a "Waiving Party") each hereby waives any

right of recovery against the other party for any loss or damage sustained by such other party with respect to the Premises or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party, to the extent such loss or damage is covered by insurance which is required to be purchased by the Waiving Party under this Permit or is actually covered by insurance obtained by the Waiving Party. Each Waiving Party agrees to cause its insurers to issue appropriate waiver of subrogation rights endorsements to all policies relating to the Premises; provided, the failure to obtain any such endorsement shall not affect the above waiver.

23.7. General Insurance Matters.

(a) All insurance policies shall be endorsed to provide thirty (30) days prior written notice of cancellation, non-renewal or reduction in coverage or limits to Authority at the address for Notices specified in the Basic Permit Information.

(b) All insurance policies shall be endorsed to provide that such insurance is primary to any other insurance available to the additional insureds with respect to claims covered under the policy and that insurance applies separately to each insured against whom claim is made or suit is brought, but the inclusion of more than one insured shall not operate to increase the insurer's limit of liability.

(c) Before commencement of activities under this Permit, certificates of insurance and brokers' endorsements, in form and with insurers acceptable to Authority, shall be furnished to Authority, along with complete copies of policies if requested by Authority.

(d) All insurance policies required to be maintained by Permittee hereunder shall be issued by an insurance company or companies reasonably acceptable to Authority with an AM Best rating of not less than A-VIII and authorized to do business in the State of California.

23.8. No Limitation on Indemnities. Permittee's compliance with the provisions of this Section shall in no way relieve or decrease Permittee's indemnification obligations herein or any of Permittee's other obligations or liabilities under this Permit.

23.9. Lapse of Insurance. Notwithstanding anything to the contrary in this Permit, Authority may elect in Authority's sole and absolute discretion to terminate this Permit upon the lapse of any required insurance coverage by written notice to Permittee.

23.10. Permittee's Personal Property. Permittee shall be responsible, at its expense, for separately insuring Permittee's Personal Property.

24. No Assignment. This Permit is personal to Permittee and shall not be assigned, conveyed or otherwise transferred by Permittee under any circumstances.

25. Default; Remedies.

25.1 Each of the following shall constitute an event of default ("Event of Default") under this Permit:

(a) Permittee fails or refuses to perform or observe any term, covenant or condition contained in this Permit, and such default continues for a period of ten (10) days after written notice thereof from Authority to Permittee.

(b) Permittee (i) is generally not paying its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Permittee or of any substantial part of Permittee's property or (v) takes action for the purpose of any of the foregoing.

(c) A court or government authority enters an order (i) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Permittee or with respect to any substantial part of Permittee's property, (ii) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (iii) ordering the dissolution, winding-up or liquidation of Permittee.

25.2 On and after any Event of Default, Authority shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Permit or to seek specific performance of all or any part of this Permit. In addition, Authority shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Permittee any Event of Default; Permittee shall pay to Authority on demand all costs and expenses incurred by Authority in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. Authority shall have the right to offset from any amounts due to Permittee under this Permit or any other agreement between Authority and Permittee all damages, losses, costs or expenses incurred by Authority as a result of such Event of Default and any liquidated damages due from Permittee pursuant to the terms of this Permit or any other agreement.

25.3 All remedies provided for in this Permit may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

26. No Joint Venture or Partnership; Independent Contractor. This Permit does not create a partnership or joint venture between Authority and Permittee. Permittee shall be solely responsible for all matters relating to the payment of its employees, including, without limitation, compliance with any federal, state or local law and all other regulations governing such matters.

27. Impossibility of Performance. If, for any reason, an unforeseen event occurs which is beyond the control of Authority or Permittee, including, but not limited to, fire, casualty or labor strike, which event renders impossible the fulfillment of any term of this Permit, Permittee and Authority shall have no right to nor claim for damages against the other.

28. Possessory Interest Taxes; Payment of Taxes. Permittee recognizes and understands that this Permit may create a possessory interest subject to property taxation and that Permittee may be subject to the payment of property taxes levied on such interest under applicable law. Permittee agrees to pay taxes of any kind, including possessory interest taxes, if any, that may be lawfully assessed on Permittee's interest under this Permit or use of the Premises pursuant hereto and to pay any other taxes, excises, licenses, permit charges, possessory interest taxes, or assessments based on Permittee's usage of the Premises that may be imposed upon Permittee by applicable law.

29. **Notices**. Except as otherwise provided herein, any notices given under this Permit shall be addressed to the Authority and Permittee at the addresses set forth in the Basic Permit Information. Notice shall be deemed given (a) two (2) business days after the date when it is deposited with the U.S. Mail, if sent by first class or certified mail, (b) one (1) business day after the date when it is deposited with an overnight carrier, if next business day delivery is required, (c) upon the date personal delivery is made, or (d) upon the date when it is sent by facsimile, if the sender receives a facsimile report confirming such delivery has been successful and the sender mails a copy of such notice to the other party by U.S. first class mail on such date.

30. **MacBride Principles - Northern Ireland**. The City and County of San Francisco urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Permittee acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

31. **Non-Discrimination**.

31.1 **Covenant Not to Discriminate**. In the performance of this Permit, Permittee covenants and agrees not to discriminate on the basis of any fact or perception of a person's race, color, creed, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, height, weight or acquired immune deficiency (AIDS) or HIV syndrome against any employee of, any City or Authority employee working with, or applicant for employment with, Permittee, in any of Permittee's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Permittee.

31.2 **Subcontracts**. Permittee shall include in all subcontracts relating to the Premises a non-discrimination clause applicable to such subcontractor in substantially the form of Section 31.1 above. In addition, Permittee shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. Permittee's failure to comply with the obligations in this Section shall constitute a material breach of this Permit.

31.3 Non-Discrimination in Benefits. Permittee does not as of the date of this Permit and will not during the term of this Permit, in any of its operations in San Francisco or where the work is being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

31.4 Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the use of City property are incorporated in this Section by reference and made a part of this Permit as though fully set forth herein. Permittee shall comply fully with and be bound by all of the provisions that apply to this Permit under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Permittee understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars ($50) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Permit may be assessed against Permittee and/or deducted from any payments due Permittee.

32. Tropical Hardwoods and Virgin Redwood. The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product, except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code. Permittee agrees that, except as permitted by the application of Sections 802(b) and 803(b), Permittee shall not use or incorporate any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product in the performance of this Permit.

33. No Tobacco Advertising. Permittee acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of the Authority, including the property which is the subject of this Permit. This prohibition includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

34. Conflicts of Interest. Through its execution of this Permit, Permittee acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Sections 87100 et seq. and Sections 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provision, and agrees that if Permittee becomes aware of any such fact during the term of this Permit, Permittee shall immediately notify Authority.

35. Food Service Waste Reduction. Permittee agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and

made a part of this Permit as though fully set forth. This provision is a material term of this Permit. By entering into this Permit, Permittee agrees that if it breaches this provision, Authority will suffer actual damages that will be impractical or extremely difficult to determine; further, Permittee agrees that the sum of One Hundred Dollars ($100.00) liquidated damages for the first breach, Two Hundred Dollars ($200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars ($500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that Authority will incur based on the violation, established in light of the circumstances existing at the time this Permit was made. Such amounts shall not be considered a penalty, but rather agreed monetary damages sustained by Authority because of Permittee's failure to comply with this provision.

In addition, if 2,000 or more of Permittee's Agents and/or Permittee's Licensee's will be at the Premises, Permittee shall submit a recycling and waste reduction plan to the Authority's Events Coordinator and comply with State Assembly Bill 2176 (Montanez, Chapter 879, Statutes of 2004).

36. **Security Deposit**. Permittee shall pay to Authority upon execution of this Permit a security deposit in the amount set forth in the Basic Permit Information as security for the faithful performance of all terms, covenants and conditions of this Permit. Permittee agrees that Authority may (but shall not be required to) apply the security deposit in whole or in part to remedy any damage to the Premises caused by Permittee, Permittee's Agents or Permittee's Invitees, or any failure of Permittee to perform any other terms, covenants or conditions contained in this Permit, without waiving any of Authority's other rights and remedies hereunder or at law or in equity. Authority's obligations with respect to the security deposit are solely that of debtor and not trustee. Authority shall not be required to keep the security deposit separate from its general funds, and Permittee shall not be entitled to any interest on such deposit. The amount of the security deposit shall not be deemed to limit Permittee's liability for the performance of any of its obligations under this Permit. To the extent that Authority is not entitled to retain or apply the security deposit pursuant to this Section 33, Authority shall return such security deposit to Permittee within forty-five (45) days of the termination of this Permit, or such longer period as is reasonably necessary for Authority to confirm Permittee's compliance with the requirements of this Permit.

37. **Independent Contractor; Payment of Taxes and Other Expenses**.

37.1 **Independent Contractor**. Permittee or any agent or employee of Permittee shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by Authority under this Permit. Permittee or any agent or employee of Permittee shall not have employee status with Authority, nor be entitled to participate in any plans, arrangements, or distributions by Authority pertaining to or in connection with any retirement, health or other benefits that Authority may offer its employees. Permittee or any agent or employee of Permittee is liable for the acts and omissions of itself, its employees and its agents. Permittee shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to Permittee's performing services and work, or any agent or employee of Permittee providing same. Nothing in this Permit shall be construed as creating an employment or agency relationship between Authority and Permittee or any agent or employee of Permittee.

Any terms in this Permit referring to direction from Authority shall be construed as providing for direction as to policy and the result of Permittee's work only, and not as to the

means by which such a result is obtained. Authority does not retain the right to control the means or the method by which Permittee performs work under this Permit.

37.2 **Payment of Taxes and Other Expenses**. Should Authority, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Permittee is an employee for purposes of collection of any employment taxes, or should a relevant taxing authority determine a liability for past services performed by Permittee for Authority, upon notification of such fact by Authority, Permittee shall promptly remit such amount due.

A determination of employment status pursuant to the preceding paragraph shall be solely for the purposes of the particular tax in question, and for all other purposes of this Permit, Permittee shall not be considered an employee of Authority. Notwithstanding the foregoing, should any court, arbitrator, or administrative authority determine that Permittee is an employee for any other purpose, then Permittee agrees to a reduction in Authority's financial liability so that Authority's total expenses under this Permit are not greater than they would have been had the court, arbitrator, or administrative authority determined that Permittee was not an employee.

38. **Proprietary or Confidential Information of Authority**. Permittee understands and agrees that, in the performance of the work or services under this Permit or in contemplation thereof, Permittee may have access to private or confidential information which may be owned or controlled by Authority and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to Authority. Permittee agrees that all information disclosed by Authority to Permittee shall be held in confidence and used only in performance of the Permit. Permittee shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

39. **Audit and Inspection of Records**. Permittee agrees to maintain and make available to the Authority, during regular business hours, accurate books and accounting records relating to its work under this Permit. Permittee will permit Authority to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Permit, whether funded in whole or in part under this Permit. Permittee shall maintain such data and records in an accessible location and condition for a period of not less than three years after final payment under this Permit or until after final audit has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Permit shall have the same rights conferred upon Authority by this Section.

40. **Earned Income Credit (EIC) Forms**. Administrative Code section 12O requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

40.1 Permittee shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty days following the date on which this Permit becomes effective (unless Permittee has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Permittee; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Permit.

40.2 Failure to comply with any requirement contained in Section 40.1 shall constitute a material breach by Permittee of the terms of this Permit. If, within thirty (30) days after Permittee receives written notice of such a breach, Permittee fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, Permittee fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the Authority may pursue any rights or remedies available under this Permit or under applicable law.

40.3 Any Subcontract entered into by Permittee shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this Section.

40.4 Capitalized terms used in this Section and not defined in this Permit shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

41. Local Business Enterprise Utilization; Liquidated Damages.

41.1 The LBE Ordinance. Permittee, shall comply with all the requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the "LBE Ordinance"), provided such amendments do not materially increase Permittee's obligations or liabilities, or materially diminish Permittee's rights, under this Permit. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Permit as though fully set forth in this section. Permittee's willful failure to comply with any applicable provisions of the LBE Ordinance is a material breach of Permittee's obligations under this Permit and shall entitle Authority, subject to any applicable notice and cure provisions set forth in this Permit, to exercise any of the remedies provided for under this Permit, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Permit expressly provides that any remedy is exclusive. In addition, Permittee shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

41.2. Compliance and Enforcement. If Permittee willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this Permit pertaining to LBE participation, Permittee shall be liable for liquidated damages in an amount equal to Permittee's net profit on this Permit, or 10% of the total amount of this Permit, or $1,000, whichever is greatest. The Director of the City's Human Rights Commission or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of HRC") may also impose other sanctions against Permittee authorized in the LBE Ordinance, including declaring the Permittee to be irresponsible and ineligible to contract with the City or the Authority for a period of up to five years or revocation of the Permittee's LBE certification. The Director of HRC will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to Administrative Code §14B.17.

By entering into this Permit, Permittee acknowledges and agrees that any liquidated damages assessed by the Director of the HRC shall be payable to Authority upon demand. Permittee further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Permittee on any contract with Authority.

Permittee agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination or expiration of this Permit,

and shall make such records available for audit and inspection by the Director of HRC or the Controller upon request.

42. Limitations on Contributions. Through execution of this Permit, Permittee acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services or for the furnishing of any material, supplies or equipment to the City, whenever such transaction would require approval by a City elective officer of the board on which that City elective officer serves, from making any campaign contribution to the officer at any time from the commencement of negotiations for the contract until the later of either (1) the termination of negotiations for such contract or (2) three months after the date the contract is approved by the City elective officer or the board on which that City elective officer serves.

43. Requiring Minimum Compensation for Covered Employees. Permittee agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 12P are incorporated herein by reference and made a part of this Permit as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse. Capitalized terms used in this Section and not defined in this Permit shall have the meanings assigned to such terms in Chapter 12P. Consistent with the requirements of the MCO, Permittee agrees to all of the following:

43.1 For each hour worked by a Covered Employee during a Pay Period on work funded under the City contract during the term of this Permit, Permittee shall provide to the Covered Employee no less than the Minimum Compensation, which includes a minimum hourly wage and compensated and uncompensated time off consistent with the requirements of the MCO. For the hourly gross compensation portion of the MCO, Permittee shall pay a minimum of $10.77 an hour for the term of this Permit; provided, however, that Contractors that are Nonprofit Corporations or public entities shall pay a minimum of $9 an hour for the term of this Permit. If a Covered Employee of a Nonprofit Corporation works in San Francisco, then that employee is covered by San Francisco's Minimum Wage Ordinance, which is Chapter 12R of the Administrative Code. As of January 1, 2007, Chapter 12R's minimum wage is $9.14 per hour.

43.2. Permittee shall not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the Authority or City with regard to Permittee's compliance or anticipated compliance with the requirements of the MCO, for opposing any practice proscribed by the MCO, for participating in proceedings related to the MCO, or for seeking to assert or enforce any rights under the MCO by any lawful means.

43.3. Permittee understands and agrees that the failure to comply with the requirements of the MCO shall constitute a material breach by Permittee of the terms of this Permit. The Authority shall determine whether such a breach has occurred.

43.4. If, within 30 days after receiving written notice of a breach of this Permit for violating the MCO, Permittee fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Permittee fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the Authority shall have the right to pursue the following rights or remedies and any rights or remedies available under applicable law:

(a) The right to charge Permittee an amount equal to the difference between the Minimum Compensation and any compensation actually provided to a Covered Employee, together with interest on such amount from the date payment was due at the maximum rate then permitted by law;

(b) The right to terminate this Permit in whole or in part;

(c) In the event of a breach by Permittee of the covenant referred to in Section 43.2, the right to seek reinstatement of the employee or to obtain other appropriate equitable relief; and

(d) The right to bar Permittee from entering into future contracts with the Authority for three years.

Each of the rights provided in this Section 43.4 shall be exercisable individually or in combination with any other rights or remedies available to the Authority. Any amounts realized by the Authority pursuant to this subsection shall be paid to the Covered Employee who failed to receive the required Minimum Compensation.

43.5. Permittee represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

43.6. Permittee shall keep itself informed of the current requirements of the MCO, including increases to the hourly gross compensation due Covered Employees under the MCO, and shall provide prompt written notice to all Covered Employees of any increases in compensation, as well as any written communications received by the Permittee from the City, which communications are marked to indicate that they are to be distributed to Covered Employees.

43.7. Permittee shall provide reports to the Authority in accordance with any reporting standards promulgated by the City under the MCO, including reports on subcontractors.

43.8. The Permittee shall provide the Authority with access to pertinent records after receiving a written request from the Authority to do so and being provided at least five (5) business days to respond.

43.9. The Authority may conduct random audits of Permittee. Random audits shall be (i) noticed in advance in writing; (ii) limited to ascertaining whether Covered Employees are paid at least the minimum compensation required by the MCO; (iii) accomplished through an examination of pertinent records at a mutually agreed upon time and location within ten days of the written notice; and (iv) limited to one audit of Permittee every two years for the duration of this Permit. Nothing in this Permit is intended to preclude the Authority from investigating any report of an alleged violation of the MCO.

43.10. Any subcontract entered into by Permittee shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. A subcontract means an agreement between the Permittee and a third party which requires the third party to perform all or a portion of the services covered by this Permit. Permittee shall notify the Department of Administrative Services when it enters into such a subcontract and shall certify to the Department of Administrative Services that it has notified the subcontractor of the obligations under the MCO and has imposed the requirements of the MCO on the subcontractor through the provisions of the subcontract. It is Permittee's obligation to ensure that any subcontractors

of any tier under this Permit comply with the requirements of the MCO. If any subcontractor under this Permit fails to comply, Authority may pursue any of the remedies set forth in this Section against Permittee.

43.11. Each Covered Employee is a third-party beneficiary with respect to the requirements of Sections 43.1 and 43.2 of this Section, and may pursue the following remedies in the event of a breach by Permittee of Sections 43.1 and 43.2, but only after the Covered Employee has provided the notice, participated in the administrative review hearing, and waited the 21-day period required by the MCO. Permittee understands and agrees that if the Covered Employee prevails in such action, the Covered Employee may be awarded: (1) an amount equal to the difference between the Minimum Compensation and any compensation actually provided to the Covered Employee, together with interest on such amount from the date payment was due at the maximum rate then permitted by law; (2) in the event of a breach by Permittee of Sections 43.1 or 43.2, the right to seek reinstatement or to obtain other appropriate equitable relief; and (3) in the event that the Covered Employee is the prevailing party in any legal action or proceeding against Permittee arising from this Permit, the right to obtain all costs and expenses, including reasonable attorney's fees and disbursements, incurred by the Covered Employee. Permittee also understands that the MCO provides that if Permittee prevails in any such action, Permittee may be awarded costs and expenses, including reasonable attorney's fees and disbursements, from the Covered Employee if the court determines that the Covered Employee's action was frivolous, vexatious or otherwise an act of bad faith.

43.12. If Permittee is exempt from the MCO when this Permit is executed because the cumulative amount of agreements with this department for the fiscal year is less than $25,000 ($50,000 for nonprofits), but Permittee later enters into an agreement or agreements that cause contractor to exceed that amount in a fiscal year, Permittee shall thereafter be required to comply with the MCO under this Permit. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Permittee and this department to exceed $25,000 ($50,000 for nonprofits) in the fiscal year.

44. Requiring Health Benefits for Covered Employees. Permittee agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated by reference and made a part of this Permit as though fully set forth herein. The text of the HCAO is available on the web at www.sfgov.org/olse. Capitalized terms used in this Section and not defined in this Permit shall have the meanings assigned to such terms in Chapter 12Q.

44.1. For each Covered Employee, Permittee shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Permittee chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission..

44.2. Notwithstanding the above, if the Permittee is a small business as defined in Section 12Q.3(e) of the HCAO, it shall have no obligation to comply with Section 44.1 above.

44.3. Permittee's failure to comply with the HCAO shall constitute a material breach of this agreement. Authority shall notify Permittee if such a breach has occurred. If, within 30 days after receiving Authority's written notice of a breach of this Permit for violating the HCAO, Permittee fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Permittee fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, Authority shall have the right to pursue the

remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to Authority.

44.4. Any Subcontract entered into by Permittee shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Permittee shall notify Authority when it enters into such a Subcontract and shall certify to the Authority that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Permittee shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the Authority may pursue the remedies set forth in this Section against Permittee based on the Subcontractor's failure to comply, provided that Authority has first provided Permittee with notice and an opportunity to obtain a cure of the violation.

44.5. Permittee shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying Authority with regard to Permittee's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

44.6. Permittee represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

44.7. Permittee shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the Authority Contract.

44.8. Permittee shall keep itself informed of the current requirements of the HCAO.

44.9. Permittee shall provide reports to the Authority in accordance with any reporting standards promulgated by the Authority under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

44.10. Permittee shall provide Authority with access to records pertaining to compliance with HCAO after receiving a written request from Authority to do so and being provided at least ten business days to respond.

44.11. Permittee shall allow Authority to inspect Permittee's job sites and have access to Permittee's employees in order to monitor and determine compliance with HCAO.

44.12. Authority may conduct random audits of Permittee to ascertain its compliance with HCAO. Permittee agrees to cooperate with Authority when it conducts such audits.

44.13. If Permittee is exempt from the HCAO when this Permit is executed because its amount is less than $25,000 ($50,000 for nonprofits), but Permittee later enters into an agreement or agreements that cause Permittee's aggregate amount of all agreements with Authority to reach $75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Permittee and the Authority to be equal to or greater than $75,000 in the fiscal year.

45. Prohibition on Political Activity with City Funds. In accordance with San Francisco Administrative Code Chapter 12.G, Permittee may not participate in, support, or

attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Permit. Permittee agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event Permittee violates the provisions of this section, the Authority may, in addition to any other rights or remedies available hereunder, (i) terminate this Permit, and (ii) prohibit Permittee from bidding on or receiving any new Authority contract for a period of two (2) years. The Controller will not consider Permittee's use of profit as a violation of this section.

46. **Preservative-treated Wood Containing Arsenic**. Permittee may not purchase preservative-treated wood products containing arsenic in the performance of this Permit unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Permittee may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Permittee from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

47. **TIHDI Job Broker.** Subtenant shall comply with the requirements of the TIHDI Work Force Hiring Plan attached hereto as Exhibit H.

48. **General Provisions**. **(a)** This Permit may be amended or modified only by a writing signed by Authority and Permittee. **(b)** No waiver by any party of any of the provisions of this Permit shall be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in such written waiver. **(c)** This instrument (including the exhibit(s) hereto) contains the entire agreement between the parties and all prior written or oral negotiations, discussions, understandings and agreements are merged herein. **(d)** The section and other headings of this Permit are for convenience of reference only and shall be disregarded in the interpretation of this Permit. **(e)** Time is of the essence. **(f)** This Permit shall be governed by California law. **(g)** If either party commences an action against the other or a dispute arises under this Permit, the prevailing party shall be entitled to recover from the other reasonable attorneys' fees and costs. For purposes hereof, reasonable attorneys' fees of Authority shall be based on the fees regularly charged by private attorneys in San Francisco with comparable experience. **(h)** If Permittee consists of more than one person then the obligations of each person shall be joint and several. **(i)** Permittee may not record this Permit or any memorandum hereof. **(j)** Subject to the prohibition against assignments or other transfers by Permittee hereunder, this Permit shall be binding upon and inure to the benefit of the parties and their respective heirs, representatives, successors and assigns. **(k)** Any sale or conveyance of the property burdened by this Permit by Authority shall automatically revoke this Permit. **(l)** This Permit may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

Permittee represents and warrants to Authority that it has read and understands the contents of this Permit and agrees to comply with and be bound by all of its provisions.

PERMITTEE:

TREASURE ISLAND HOMELESS DEVELOPMENT INITIATIVE,
a California non-profit corporation

By: _____

Name: _____

Title: _____

TOOLWORKS,
a California non-profit corporation

By: _____

Name: _____

Title: _____

WINE VALLEY, INC.,
a California corporation doing business as Wine Valley Catering

By: _____

Name: _____

Title: _____

AUTHORITY:

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____
Mirian Saez
Director of Island Operations

APPROVED AS TO FORM:

DENNIS J. HERRERA,
City Attorney

By: _____
Deputy City Attorney

EXHIBIT A

MASTER LEASE

The Master Lease between the United States of America and the Treasure Island Development Authority for Event Venues and South Waterfront Area at Naval Station Treasure Island, dated September 4, 1998.

All correspondence in connection with this contract should include reference to:

N6247498RP00003

LEASE

BETWEEN

THE UNITED STATES OF AMERICA

AND

TREASURE ISLAND DEVELOPMENT AUTHORITY

FOR

EVENT VENUES

NAVAL STATION TREASURE ISLAND

All correspondence in connection with this contract should include reference to:

N6247498RP00003

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N6247498RP00003

LEASE
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE, made as of this 17 day of September, 1998, is by and between THE UNITED STATES OF AMERICA, acting by and through the Department of the Navy, herein called "Government", and TREASURE ISLAND DEVELOPMENT AUTHORITY, acting by and through the City and County San Francisco, a non-profit public benefit corporation, herein called "Lessee";

WITNESSETH:

WHEREAS, Government has declared certain real and personal property, as more particularly described as the Leased Premises in Paragraph 1, surplus at the Naval Station Treasure Island, San Francisco, California, (the "Installation"), and Lessee has identified an immediate need to use such real and personal property; and

WHEREAS, the Secretary of the Navy, pursuant to the provisions of 10 U.S.C. § 2667 (f)(1), has determined that this Lease will facilitate state and local economic adjustment efforts pending final disposition of the Leased Premises; and

WHEREAS, the Secretary of the Navy, pursuant to 10 U.S.C. § 2667 (f)(2) has determined that a public interest will be served as a result of this Lease, the fair market value of the Lease is either unobtainable or not compatible with such public benefit, and consequently, consideration for this Lease will be at less than fair market value; and

WHEREAS, the Secretary of the Navy, after consultation with the Environmental Protection Agency Administrator has determined that the Leased Premises is suitable for lease, and the uses contemplated for the Lease are consistent with protection of human health and the environment; and

WHEREAS, Lessee is recognized by the Secretary of the Defense, through the Office of Economic Adjustment, as the local redevelopment authority with the responsibility for the redevelopment of the Installation; and

WHEREAS, Lessee is a municipal corporation, created and organized under the laws of the State of California, with the power to acquire, lease and dispose of federal military installations, and Lessee desires to enter into this Lease to further reuse efforts at the Installation.

NOW THEREFORE, in consideration of the terms, covenants, and conditions set forth this Lease, Government and Lessee hereby agree as follows:

All correspondence in connection with this contract should include reference to:

N6247498RP00003

1. LEASED PREMISES:

Subject to the terms and conditions of this Lease, Government does hereby lease, rent, and demise to Lessee, and Lessee does hereby hire and rent from Government, Buildings 140 (24,169 SF), 187 (9,884 SF), 227 (13,200 SF), 262 (12,150 SF), 265 (4,496 SF) and 271 (7,788 SF); Pier 23; Tennis Courts (6); open space, parking areas and landscaping, all comprising approximately 1,683,130.24 square feet (38.64 acres) of land, areas as shown on Exhibit A, attached hereto, together with all improvements; and all personal property described in Exhibit B attached hereto, and all rights of ingress and egress to such real property (together, the "Leased Premises").

2. TERM:

The term of this Lease shall be for a period of two (2) years beginning on 4 Sep 1998 and ending 3 Sep 2000, unless sooner terminated in accordance with the provisions of Paragraph 14, Termination.

3. CONSIDERATION:

3.1 As consideration for this Lease, Lessee agrees to (i) actively market the Installation and attempt to sublease those portions of the Leased Premises which are suitable for subleasing, (ii) provide protection and maintenance to the extent described in Paragraph 12 for those portions of the Leased Premises which are or have been during the term of this Lease used or occupied by Lessee or subleased by Lessee to another and (iii) pay Government the Common Services Charge described in Sections 3.1.2 and 3.1.3 below.

3.1.1 As additional consideration, subject to annual appropriations by Lessee's Board of Supervisor's, Lessee shall apply any Revenue (as defined herein) received from subleasing the Premises as follows: first, to reimburse itself for marketing and property management expenses incurred by Lessee; and second, for expenses incurred by Lessee for improvements to the Installation. If sufficient funds for the purposes described in this Section 3.1.1 are not appropriated for any reason in any fiscal year of the Lease after the fiscal year in which the Term of this Lease commences, then Government may terminate this Lease, without liability, upon thirty (30) calendar days written notice.

"Revenue" as referred to herein means rental income and any other miscellaneous income derived from the subletting of the Leased Premises less (i) sales tax, use and occupancy tax, franchise tax and any other taxes, building fees, planning fees and inspection fees related to the use and occupancy of the Leased Premises, and (ii) Lessee's cost of operating, maintaining, protecting and repairing the Leased Premises including, without limitation, any Common Services Charges paid to Government pursuant to this Section 3.1.

3.1.2 Lessee shall be responsible for paying the cost of services incurred by Government and provided for the benefit of Lessee and sublessees as described and in the amount set forth in Paragraph 3.1.3 (the "Common Services Charge"). Lessee shall pay Government the Common Services Charge on the first day of each month.

3.1.3 The Common Services Charge will be calculated as follows:

$0.050 per square foot per month of occupied building space (1) used or occupied by Lessee; (2) subleased by Lessee to another.

$0.003 per square foot per month of land area (1) used or occupied by Lessee; (2) subleased by Lessee to another.

The Common Services Charge may be revised by Government and Lessee on an annual basis, or at other times only upon mutual agreement of Government and Lessee or as required by Section 3.1.4 below.

"Common Services" for the purpose of the Common Services Charge shall include, but are not limited to: fire fighting; general perimeter security (this does not include security of those portions of Leased Premises which are (1) used or occupied by Lessee, (2) subleased by Lessee to another); causeway operations, maintenance and repair; maintenance and repair of roads, streets, sidewalks, curbs and gutters; operation, maintenance and repair of street lighting, street signals and signage; operation, maintenance and repair of storm sewer; pest control, and general administration of these services. Nothing in this Lease commits Government to continue to provide Common Services referenced herein.

3.1.4 If and to the extent Government reduces, modifies or ceases to provide all or portion of the Common Services described herein or to the extent Lessee assumes the responsibility for such Common Services pursuant to a cooperative agreement or other agreement with Government, the Common Services Charge shall be proportionately reduced, to an amount mutually agreed upon by Government and Lessee, so that at all times during the term of this Lease the amount of the Common Services Charge shall accurately and in substantially the same proportion as provided herein reflect the costs of Government in providing such Common Services.

3.1.5 If the Government expects to incur any unanticipated costs which are specifically attributable to an action or inaction of the Lessee, its sublessees, or assigns, the Lessee and the Government shall meet and confer on ways to avoid or mitigate such costs and, if the costs can not be entirely avoided, the Lessee and Government shall mutually determine the amount that Lessee shall pay from revenue in addition to the Common Services Charge to defray those costs that cannot be avoided or mitigated. If the Lessee and Government are unable to reach agreement on a way to

avoid or mitigate the unanticipated costs or the amount of compensation that the Lessee shall pay to the Government to defray such costs, their dispute shall be resolved in accordance with the provisions of Paragraph 23 of this Lease.

3.2 Consistent with standard accounting practices for tax purposes, Lessee shall keep adequate records and books of account showing the actual cost to it of all items of labor, material, equipment, supplies, services and other items of cost incurred by it directly in the performance of any item of work or service in the nature of marketing and management; the repair, restoration, protection and maintenance of Leased Premises which is required by Paragraph 12; or otherwise approved or directed by Government. Lessee shall provide Government with access to such records and books of account and proper facilities for inspection thereof at all reasonable times.

4. USE OF LEASED PREMISES:

4.1 The Leased Premises may be used and operated by Lessee for special events and other appropriate site specific uses. Lessee understands and acknowledges that this is not and does not constitute a commitment by Government with regard to the ultimate disposal of Leased Premises, in whole or in part, to Lessee or any agency or instrumentality thereof, or to any sublessee. The Lease may be terminated by Government or Lessee as provided by the terms of the Lease pursuant to Paragraph 14, and Lessee and Government agree to and acknowledge such terms.

4.2 Lessee shall not undertake any activity that may affect an identified historic or archeological property, including excavation, construction, alteration or repairs of Leased Premises, without the approval of Government. Buried cultural materials may be present on the Leased Premises. If such materials are encountered, Lessee shall stop work immediately and notify Government.

5. SUBLETTING:

5.1 Lessee shall not sublet the Leased Premises or any interest therein or any property thereon, or grant any interest, privilege or license whatsoever in connection with this Lease without the prior written consent of Government. Such consent shall not be unreasonably withheld or delayed. Each sublease shall contain or incorporate by reference the environmental protection provisions set forth in Paragraph 13 herein. Under no circumstance shall Lessee assign this Lease without Government's prior written consent, except that no consent shall be required in connection with an assignment of this Lease to a successor to Lessee which is the local redevelopment authority for the Installation recognized by the Secretary of Defense, through the Office of Economic Adjustment.

5.2 Any sublease granted by Lessee shall contain a copy of this Lease as an attachment and be subject to all terms and conditions of this Lease and shall terminate immediately upon the expiration or any earlier termination of this Lease, without any liability on the part of Government to Lessee or any sublessee. Under any sublease made, with or without consent, the sublessee shall be deemed to have assumed the obligations of Lessee under this Lease that relate to the portion of the Leased Premises subleased to such sublessee. No sublease shall relieve Lessee of any of its obligations hereunder.

5.3 Lessee shall furnish Government, for its prior written consent, a copy of each sublease it proposes to execute. Such consent may include a requirement that Lessee renegotiate the sublease to conform with the provisions of this Lease. The determination by Government as to the acceptability of a particular sublease shall principally include approval of the sublessee with respect to its proposed uses of the Leased Premises, the capability of the sublessee to perform its obligations under the sublease, and the conformity of the sublease to the provisions of this Lease. Such consent shall not be unreasonably withheld or delayed. Consent to any sublease shall not be taken or construed to diminish or enlarge any of the rights or obligations of either of the parties under this Lease. Should a conflict arise between the provisions of this Lease and a provision of the sublease, the provisions of this Lease shall take precedence. Upon its execution, a copy of the sublease shall immediately be furnished to Government.

5.4 Either party hereto shall, from time to time during the Term, upon not less than twenty (20) calendar days' prior written notice from the other party, execute, acknowledge and deliver to the other party, or such persons or entities designated by such other party, a statement in writing certifying: (a) the commencement date and expiration date of this Lease, (b) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the Lease is in full force and effect as modified and stating the modifications), (c) that there are no defaults under this Lease (or if so, specifying the same), (d) the dates, if any, to which the Common Services Charge and any other consideration required hereunder has been paid.

6. JOINT INSPECTION & INVENTORY REPORT:

6.1 Joint Inspection. Representatives of the Lessee and Government shall conduct a joint inspection of all portions of the Leased Premises to be (1) beneficially used or occupied by the Lessee; (2) assigned by the Lessee to another; or (3) subleased by Lessee to another for any purpose. Such inspections shall be completed before any such use begins and may include a representative of the sublessee if appropriate. Based on the joint inspection, a complete inventory of Government property located on the Leased Premises and a report of the condition of the Leased Premises, including the condition of improvements, appurtenances and personal property thereon, has been prepared and is attached to this Lease as Exhibit C.

6.2 No Warranty by Government. All facilities and property delivered to the Lessee shall be delivered "as is, where is," and, as such, the Government makes no warranty as to such facilities and property either as to their usability generally or as to their fitness for any particular purpose. As provided in Section 12 of this Lease, Lessee shall, at no expense to Government, maintain those portions of the Leased Premises which Lessee uses or subleases, and will from time to time make or cause to be made all necessary and proper repairs, replacements, and renewals which shall thereupon become part of the Leased Premises. During the term of this Lease, Government shall have no responsibility, financial or otherwise, except as otherwise described herein with respect to protection and maintenance of the Leased Premises.

6.3 In accordance with 32 CFR §91.7(h), governing the disposition of personal property at closing military bases, Personal Property shall be identified throughout the Installation for use in connection with redevelopment of the Installation. At no expense to Government, and only with Government approval, Personal Property may be relocated from other buildings to the Leased Premises in order to facilitate redevelopment, including exclusive use thereof by the sublessee during the Term of this Lease. Each inventory, upon completion, shall be identified by building or facility number, and signed and dated by both parties to this Lease and attached to this Lease as part of the Joint Inspection Report attached hereto as Exhibit C.

7. ENVIRONMENTAL BASELINE SURVEY AND FINDINGS OF SUITABILITYTO LEASE:

An Environmental Baseline Survey for Lease (EBSL) and a Finding of Suitability to Lease (FOSL) are attached to this Lease as Exhibit D and made part of this Lease. The EBSL sets forth the existing environmental conditions of the Leased Premises as represented by the baseline survey which has been conducted by Government. The FOSL sets forth the basis for the Government's determination that Leased Premises are suitable for leasing. Lessee is hereby made aware of the information contained in the FOSL attached hereto as Exhibit D and shall comply with applicable restrictions set forth therein.

8. ALTERATIONS:

8.1 Lessee shall not construct, make or permit its sublessees to construct or make any substantial alterations, additions, excavations, improvements to, installations upon or otherwise modify or alter the Leased Premises in any way, including those which may adversely affect the remediation of hazardous materials on the Installation (together, "Alterations") without the prior written consent of Government. Such consent may not be unreasonably withheld or delayed, but may involve, where reasonably necessary, a requirement for Lessee or Lessee's contractor to provide the government with a performance and payment bond satisfactory to it in all respects and other requirements deemed reasonably necessary to protect the interests of the Government.

8.2 Upon termination of this Lease, as directed by Government, Lessee shall, at the option of the Government either:

8.2.1 Promptly remove all alterations, additions, betterments and improvements made or installed and restore the Leased Premises to the same or as good condition as existed on the date of entry under this Lease, reasonable wear and tear and acts of God excepted; or

8.2.2 Abandon such additions or alterations in place, at which time title to such alterations, improvements and additions shall vest in Government.

8.2.3 In either event all personal property and trade fixtures of Lessee or any third person may be removed from the Leased Premises and Lessee shall repair any damage to the Leased Premises resulting from such removal.

9. ACCESS BY GOVERNMENT:

In addition to access required under Paragraph 13, at all reasonable times throughout the term of this Lease, Government shall be allowed reasonable access to the Leased Premises for any purpose. Government will give Lessee or any sublessee at least twenty-four (24) hour prior notice of its intention to enter the Leased Premises, unless it determines the entry is immediately required for safety, environmental, operations or security purposes. Lessee shall have no claim on account of any entries against Government or any officer, agent, employee, contractor or subcontractor of Government. All keys to the buildings and facilities occupied by Lessee or any sublessee shall be made available to Government upon request.

10. UTILITIES AND SERVICES:

Procurement of utilities (i.e., electricity, water, gas, sewer, telephone and trash removal) will be the responsibility of Lessee. Lessee agrees to obtain needed utility services from any private or municipal supplier who should, during the term of Lease, become able to deliver such services to Leased Premises. In the event that Government shall furnish Lessee with any utilities or services maintained by Government which Lessee may require in connection with its use of Leased Premises, Lessee shall pay Government the cost incurred in providing such utilities or services in the amounts set forth in Exhibit E attached hereto, which rates shall be determined by Government and Lessee in accordance with applicable laws and regulations. Lessee, at no cost to Government, shall install metering devices for utilities serving the Leased Premises prior to its occupancy. The volume of utilities used by Lessee shall be determined by such metering devices. It is expressly agreed and understood that Government in no way warrants the continued availability, maintenance or adequacy of any utilities or services furnished to Lessee.

11. NON-INTERFERENCE WITH GOVERNMENT OPERATIONS:

Lessee shall not conduct operations nor make any alterations that would interfere with or otherwise restrict operations, environmental clean-up or restoration actions by Navy, Environmental Protection Agency (EPA), applicable state equivalent, or their contractors. Environmental clean-up, restoration or testing activities by these parties shall take priority over Lessee's use of Leased Premises in the event of any conflict. However, Government and Lessee agree to coordinate to minimize potential conflicts between necessary remediation of environmental contamination, including investigation and remedial actions, and Lessee's and any sublessee's use of Leased Premises.

12. PROTECTION AND MAINTENANCE SERVICES:

12.1 Except as otherwise specifically provided herein, Lessee shall furnish or cause to be furnished all labor, supervision, materials, supplies and equipment necessary to the operation, maintenance and repair of the following building systems and appurtenances located in or on the Leased Premises: structural (including roof), fencing, plumbing, electrical, heating and cooling systems; exterior utility systems (including fire hydrants and mains); pavement and grounds maintenance (including grass cutting, shrub trimming and tree removal); pest and weed control; security and fire protection within Leased Premises; refuse collection, removal and disposal; and utilities maintenance necessary for the protection of Leased Premises. Government shall not be required to furnish any services or facilities to Lessee or to make any repair or alteration in or to Leased Premises. Lessee hereby assumes the full and sole responsibility for the protection, maintenance and repair of Leased Premises set forth in this paragraph. For specifics as to such protection and maintenance required to be provided by Lessee hereunder, the following provisions shall apply:

12.1.1 The degree of maintenance and repair services to be furnished by Lessee hereunder shall be that which is sufficient to assure weather tightness, structural stability (excluding any seismic retrofit and/or modification to foundations resulting from extraordinary natural occurrences such as earthquakes, floods and landslides), protection from fire hazards or erosion, and elimination of safety and health hazards which arise during the term of the Lease and which are not caused by the actions of Government or its employees, contractors or agents, so that the Leased Premises being serviced will remain in the condition in which they existed at the commencement of the Lease as documented in the Joint Inspection and Inventory Report prepared pursuant to Paragraph 6, ordinary wear and tear and acts of God excepted. Prior to use and occupancy, Lessee shall correct the safety and health hazards described on Exhibit F.

12.2 During the Term of this Lease, debris, trash and other useless materials placed on the Leased Premises during the term of this Lease shall be promptly removed from the Leased Premises. Upon termination or expiration of this Lease, the Leased

Premises shall be left without containers, Lessee's equipment, and other undesirable materials placed on the Leased Premises during the term of this Lease (except by Government) and in as clean condition as received by Lessee.

12.3 Lessee shall provide or cause to be provided all security services necessary to assure security and safety within the Leased Premises. Any crimes or other offenses, including traffic offenses and crimes and offenses involving damage to or theft of Government property, shall be reported to the appropriate authorities for their investigation and disposition and to Government as property owner.

12.4 Lessee shall take or cause to be taken, all reasonable and necessary fire protection precautions at the Leased Premises. Such precautions may include, but are not limited to, the maintenance of any sprinkler system that exists on the effective date of this Lease and/or the provision of portable fire extinguishers for fire protection of Leased Premises.

12.5 Lessee is responsible for the repair and maintenance of all interior utility systems and those exterior utility systems, distribution lines, connections and equipment which solely support the Leased Premises. This responsibility extends from the Leased Premises to the point of connection with the utility system which serves users other than Lessee.

12.6 Lessee shall ensure only trained and qualified persons are utilized in performance of the maintenance and protection services specified in this paragraph.

13. ENVIRONMENTAL PROTECTION PROVISIONS:

13.1 Lessee, sublessees and contractors shall comply with all applicable Federal, state and local laws, regulations and standards that are or may become applicable during the term of this Lease to Lessee's activities on the Leased Premises.

13.2 Lessee or any sublessee shall be solely responsible for obtaining, at no cost to Government, any environmental permits required for its operations under the Lease, independent of any existing permits held by the Government. Nothing in this Lease shall require Lessee to become a secondary discharger or co-permittee on any existing environmental permit held by Government relating to the operation of the Installation, including, without limitation, any environmental permits associated with the operation of the Installation's sewage treatment plant. Any and all environmental permits required for any of Lessee's or sublessees' operations or activities will be subject to prior concurrence of the Commanding Officer, Engineering Field Activity West, Naval Facilities Engineering Command. Lessee acknowledges that the Government will not consent to being named a secondary discharge or co-permittee for any operations or activities of the Lessee or any sublessee under the Lease. In the event the Government is

named as a secondary discharger or co-permittee for any activity or operation of the Lessee or any sublessee, Government shall have the right to take reasonable actions necessary to prevent, suspend, or terminate such activity or operation, including terminating this Lease, without liability or penalty.

13.3 Government's rights under this Lease specifically include the right for Government officials to inspect upon reasonable notice the Leased Premises for compliance with environmental, safety and occupational health laws and regulations, whether or not Government is responsible for enforcing them. Such inspections are without prejudice to the right of duly constituted enforcement officials to make such inspections. Government will give Lessee or sublessee twenty-four (24) hours prior notice of its intention to enter Leased Premises unless it determines the entry is immediately required for safety, environmental, operations or security purposes. Lessee shall have no claim on account of any entries against the United States or any officer, agent, employee, contractor or subcontractor thereof.

13.4 Government and its officers, agents, employees, contractors and subcontractors have the right, upon reasonable notice to Lessee and any sublessee, to enter upon the Leased Premises for the purposes enumerated in this subparagraph:

13.4.1 to conduct investigations and surveys, including, where necessary, drilling, soil and water sampling, testpitting, testing soil borings and other activities related to the Installation Restoration Program (IRP);

13.4.2 to inspect field activities of Government and its contractors and subcontractors in implementing the IRP;

13.4.3 to conduct any test or survey related to implementation of the IRP or environmental conditions at Leased Premises or verify any data submitted to EPA or applicable state equivalent by Government relating to such conditions;

13.4.4 to construct, operate, maintain or undertake any other response or remedial action as required or necessary under the IRP, including but not limited to monitoring wells, pumping wells and treatment facilities.

13.5 Lessee agrees to comply with the provisions of any health or safety plan in effect under the IRP during the course of any of the above described response or remedial actions. Any inspection, survey, investigation or other response or remedial action will, to the extent practicable, be coordinated with representatives designated by Lessee and any sublessee. Lessee and sublessee shall have no claim on account of such entries against the United States or any officer, agent, employee, contractor or subcontractor thereof. In addition, Lessee shall comply with all applicable Federal, state and local occupational safety and health regulations.

13.6 Lessee further agrees that if the Leased Premises are subject to ongoing environmental remediation by Government, during such period, Lessee shall provide to EPA and applicable state equivalent by certified mail a copy of any sublease of the Leased Premises within fourteen (14) calendar days after the effective date of such sublease. Lessee may delete the financial terms and any other proprietary information from the copy of any agreement of assignment or sublease furnished pursuant to this condition.

13.7 Lessee shall strictly comply with the hazardous waste permit requirements under the Resource Conservation and Recovery Act or its applicable state equivalent. Except as specifically authorized by Government in writing, Lessee must provide at its own expense such hazardous waste management facilities as required by its use of the Leased Premises, complying with all laws and regulations. Government hazardous waste management facilities will not be available to Lessee. Any violation of the requirements of this condition shall be deemed a material breach of this Lease.

13.8 DOD component accumulation points for hazardous and other waste will not be used by Lessee or any sublessee. Neither will Lessee or sublessee permit its hazardous wastes to be commingled with hazardous waste of DOD Component.

13.9 Before beginning operations on the Leased Premises, Lessee shall have a Government-approved plan for responding to hazardous waste, fuel and other chemical spills. Such plan shall be independent of the Installation plan and, except for initial fire response and/or spill containment, shall not rely on the use of Installation personnel or equipment. Should Government provide to the Leased Premises any personnel or equipment whether for initial fire response and/or spill containment, or otherwise on request of Lessee, or because Lessee was not, in the reasonable opinion of Government, conducting timely cleanup actions, Lessee agrees to reimburse Government for its reasonable and actual costs in association with such response or cleanup upon receipt of an invoice for such costs.

13.10 Lessee shall not conduct or permit its sublessees to conduct any subsurface excavation, digging, drilling or other disturbance of the surface without the prior written approval of Government, which consent shall not be unreasonably withheld or delayed.

13.11 To the extent required by law and regulation, Government shall abate, remove or otherwise remedy all friable, accessible and damaged asbestos containing material (ACM), lead based paint (LBP) and polychlorinated biphenyls (PCBs) from Leased Premises. The presence of known ACM, LBP or PCBs shall be fully identified in an Environmental Baseline Survey (EBS) and/or Supplemental Environmental Baseline Survey (SEBS), attached as an Exhibit.

13.11.1 Except as provided in Paragraph 13.11.2, Government is not responsible for any removal or containment of asbestos containing materials (ACM). If Lessee intends to make any improvements or repairs that require the removal of asbestos, an appropriate asbestos disposal plan must be incorporated into the plans and specifications and submitted to Government. The asbestos disposal plan will identify the proposed disposal site for the asbestos, or in the event the site has not been identified, will provide for disposal at a licensed facility authorized to receive it.

13.11.2 Government shall be responsible for the removal or containment of the ACM identified as requiring abatement shown on Exhibit G attached hereto as damaged or deteriorated ACM. Government agrees to abate these listed items of damaged or deteriorated ACM. Government may choose the most economical means of abating any damaged or deteriorated ACM, which may include removal, repair or containment (encapsulation), or a combination of removal, repair and containment. The forgoing obligation of Government does not apply to any ACM other than that identified in Exhibit G. Notwithstanding Paragraph 13.11.1 above, in an emergency, Lessee will notify Government as soon as practicable of its emergency ACM responses. Lessee shall be responsible for monitoring the condition of existing ACM on Leased Premises for deterioration or damaged and accomplishing repairs or abatement pursuant to the applicable conditions of this Lease.

13.12 Lessee shall indemnify and hold harmless Government from any costs, expenses, liabilities, fines or penalties resulting from discharges, emissions, spills, storage or disposal arising from Lessee's occupancy, use or operations, or any other action by Lessee or any sublessee during the term of this Lease giving rise to Government liability under Federal, state or local environmental laws. Lessee's obligations hereunder shall apply whenever Government incurs costs or liabilities as a result of Lessee's activities or activities of any sublessee as provided hereunder. However, this indemnity does not extend to those damages which are due to the fault or negligence of Government or its contractors. This provision shall survive the expiration or termination of this Lease.

13.13 The responsibility of Government to indemnify and hold harmless the Lessee and any sublessee against any toxic torts and other environmental claims shall be in accordance with Public Law 102-484, the National Defense Authorization Act for Fiscal Year 1993, Section 330, as amended.

13.14 If Lessee or a sublessee encounters pre-existing conditions caused by the Government which require the Government to take action in accordance with Federal, State or local law to remove, remediate, correct, or abate hazardous substances, pollutants or contaminants, the Lessee or sublessee shall promptly notify the Government, cease performance, and secure the work site. Vacation of the Leased Premises, or any part

thereof, will be directed pursuant to the provisions of Section 15 of this Lease. The Government will take necessary and appropriate actions, as required by Federal, State or local law, and bear the cost of such removal, remediation, corrective action, or abatement, subject to the availability of funds for such purpose.

14. TERMINATION:

14.1 Government shall have the right to terminate this Lease, in whole or in part, without liability, upon thirty (30) calendar days written notice:

14.1.1 In the event of the Government making a final decision on disposal of the Leased Premises that is inconsistent with continued use thereof by Lessee under this Lease; or

14.1.2 In the event of a national emergency as declared by the President or the Congress of the United States and Government makes a determination that such national emergency requires termination of this Lease; or

14.1.3 If, at any time after January 1, 2003, (a) Government has complied with all applicable legal requirements to convey fee title to the Premises, (b) Government has satisfied in full all of its obligations under this Lease, (c) Government tenders to Lessee a conveyance of fee ownership of the Premises after negotiating in good faith with respect to establishing reasonable terms, conditions of, and consideration for such conveyance, and (d) Lessee fails to accept such conveyance within one hundred eighty (180) calendar days of written notice of such tender; or

14.1.4 In the event of a breach by Lessee of any of the terms and conditions hereof. In the event of a breach involving the performance of any obligation, Lessee shall be afforded thirty (30) calendar days from the receipt of Government's written notice of intent to terminate to complete performance of the obligation or otherwise cure the subject breach and avoid termination of this Lease, unless Government determines that a shorter period is required for safety, environmental, operations or security purposes. In the event that Government shall elect to terminate this Lease on account of the breach by Lessee of any of the terms and conditions, Government shall be entitled to recover and Lessee shall pay to Government:

14.1.4(a) The costs incurred in resuming possession of the Leased Premises.

14.1.4(b) The costs incurred in performing any obligation on the part of the Lessee to be performed hereunder, but only after notice to Lessee and the expiration of all applicable cure periods.

14.1.4(c) An amount equal to the aggregate of any maintenance obligations and charges assumed hereunder and not paid or satisfied, which amounts shall be due and payable at the time when such obligations and charges would have accrued or become due and payable under this Lease.

14.2 Lessee shall have the right to terminate this Lease upon thirty (30) calendar days written notice to Government in the event of breach by Government of any of the terms and conditions hereof. In the event of a breach involving the performance of any obligation, Government shall be afforded thirty (30) calendar days from the receipt of Lessee's notice of intent to terminate to complete performance of the obligation or otherwise cure the subject breach and avoid termination of this Lease. Lessee shall also have the right to terminate this Lease in the event of damage to or destruction of all of the improvements on Leased Premises or such a substantial portion thereof as to render Leased Premises incapable or impracticable of use for the purposes for which it is leased hereunder, provided:

14.2.1 Government either has not authorized or directed the repair, rebuilding or replacement of the improvements or has made no provision for payment for such repair, rebuilding or replacement by application of insurance proceeds or otherwise; and

14.2.2 That such damage or destruction was not occasioned by the fault or negligence of Lessee or any of its officers, agents, servants, employees, subtenants, licensees or invitees, or by any failure or refusal on the part of Lessee to fully perform its obligations under this Lease.

14.2.3. If Government requires Lessee or any sublessee to vacate all or a substantial portion of Leased Premises pursuant to any provision of this Lease for a period in excess of thirty (30) calendar days, Lessee may terminate this Lease by written notice to Government given at any time while Lessee shall continue to be denied use of all or a substantial portion of Leased Premises. Lessee shall thereafter surrender possession of Leased Premises within fifteen (15) calendar days of such notice.

15. ENVIRONMENTAL CONTAMINATION:

In the event environmental contamination is discovered on the Leased Premises which creates, in Government's determination, an imminent and substantial endangerment to human health or the environment which necessitates evacuation of the Leased Premises, and notwithstanding any other termination rights and procedures contained in this Lease, Lessee shall vacate or require any sublessee to vacate Leased Premises immediately upon notice from Government of the existence of such a condition. Exercise of this right by Government shall be without liability, except that Lessee shall not be responsible for the payment of consideration, the amount of deduction to be determined on a daily pro-rata basis, during the period Leased Premises is vacated, and Lessee shall have the right to

terminate this Lease if, as provided in Section 14.3 above, Lessee or any sublessee is deprived of the beneficial use and occupancy of the Leased Premises for a period in excess of thirty (30) days. Government's exercise of this right herein to order the Leased Premises immediately vacated does not alone constitute a termination of the Lease, but such right may be exercised in conjunction with any other termination rights provided in this Lease or by law.

16. NON-ENVIRONMENTAL INDEMNIFICATION BY LESSEE:

The Lessee shall hold harmless, indemnify, and defend the Government from and against any suit, claim, demand or action, liability, judgment, cost or other fee arising out of any claim for injury or damage that results from, or is any manner predicated upon activities of the Lessee on the Leased Property during the term of the Lease. This indemnification applies to any fines, claims, demands and causes of action of every nature whatsoever which may be made upon, sustained or incurred by Government by reasons of any breach, violation, omission or non-performance of any term, covenant or condition hereof on the part of Lessee or the employees, agents, servants, guests, invitees and sublessees of Lessee. This indemnification also applies to claims arising out of the furnishing of any utilities or services by Government or any interruption therein or failure thereof, whether or not the same shall be occasioned by the negligence or lack of diligence of Lessee, its officers, agents, servants, employees or sublessees. However, this indemnity does not extend to those damages which are due to the fault or negligence of Government or its contractors. This covenant shall survive the termination of this Lease.

17. INSURANCE:

17.1 At the commencement of this Lease, Lessee shall obtain, from a reputable insurance company or companies, liability insurance or shall maintain a program of self-insurance. The insurance shall provide an amount not less than a minimum combined single limit of $10 million, for any number of persons or claims arising from any one incident with respect to bodily injuries or death resulting therefrom, property damage or both, suffered or alleged to have been suffered by any person or persons resulting from the operations of Lessee, sublessees, contractors and invitees under the terms of this Lease. Lessee shall provide Government certificates of its self-insurance or require its insurance company to furnish Government a copy of the policy or policies, or if acceptable to Government, certificates of insurance evidencing the purchase of such insurance. The minimum amount of liability insurance coverage is subject to revision by Government every three years or upon renewal or modification of this Lease.

17.2 As to those structures and improvements on Leased Premises constructed by or owned by Government, Lessee shall procure and maintain at Lessee's cost a standard fire and extended coverage insurance policy or policies or a program of self-insurance on the Leased Premises in an amount sufficient to demolish damaged or destroyed structures and improvements, remove debris and clear the Leased Premises. Should Lessee elect to

purchase commercial insurance in lieu of self-insurance, Lessee shall procure such insurance from a reputable company or companies. In that event, the insurance policy shall provide that in the event of loss thereunder, the proceeds of the policy or policies, at the election of Government, shall be payable to Lessee to be used solely for the demolition of damaged or destroyed structures and improvements, removal of debris and clear the Leased Premises or for repair, restoration, or replacement of the property damaged or destroyed. Any balance of the proceeds not required for such purposes shall be paid to Government. If Government does not elect, by notice in writing to the insurer within thirty (30) calendar days after the damage or destruction occurs, to have the proceeds paid to Lessee for the purposes herein above set forth, then such proceeds shall be paid to Government, provided however that the insurer, after payment of any proceeds to Lessee in accordance with the provision of the policy or policies, shall have no obligation or liability with respect to the use or disposition of the proceeds by Lessee. Nothing herein contained shall be construed as an obligation upon Government to repair, restore or replace Leased Premises or any part thereof.

17.3 If and to the extent required by law, Lessee shall provide workmen's compensation or similar insurance or self-insurance in form and amounts required by law.

17.4 During the entire period this Lease shall be in effect, Lessee shall require its contractors or sublessees or any contractor performing work at Lessee's or sublessee's request on Leased Premises to carry and maintain the insurance required below:

17.4.1 Comprehensive general liability insurance, including, but not limited to, contractor's liability coverage and contractual liability coverage, of not less than $3 million, per occurrence with respect to personal injury or death, and $5 million, per occurrence with respect to property damage.

17.4.2 Workman's compensation or similar insurance in form and amounts required by law.

17.5 Should Lessee purchase commercial insurance in lieu of self-insurance, all insurance which this Lease requires Lessee or sublessee to carry and maintain or cause to be carried or maintained shall be in such form, for such periods of time, and with such insurers as Government may reasonably require or approve. In that event, all policies or certificates issued by the respective insurers for public liability and property insurance will name Government as an additional insured, provide that any losses shall be payable notwithstanding any act or failure to act or negligence of Lessee or Government or any other person, provide that no cancellation, reduction in amount, or material change in coverage thereof shall be effective until at least thirty (30) calendar days after receipt by Government of written notice thereof; provide that the insurer shall have no right of subrogation against Government; and be reasonably satisfactory to Government in all other respects. In no circumstances will Lessee be entitled to assign to any third party, rights of action which Lessee may have against Government.

17.6 Lessee and sublessees shall deliver or cause to be delivered promptly to Government a certificate of insurance or self-insurance evidencing the insurance required by this Lease and shall also deliver no later than thirty (30) calendar days prior to expiration of any such policy, a certificate of insurance evidencing each renewal policy covering the same risks.

18. LABOR PROVISION:

During the term of this Lease, Lessee agrees as follows:

18.1 Lessee will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. Lessee shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation and selection for training, including apprenticeship. Lessee agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by Government setting forth the provisions of this nondiscrimination clause.

18.1.1 Lessee shall, in all solicitations or advertisements for employees placed at Leased Premises by or on behalf of Lessee, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

18.1.2 Lessee shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice to be provided by Government, advising the labor union or worker's representative of Lessee's commitments under this equal opportunity clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment

18.1.3 Lessee shall comply with all provisions of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, and of the rules, regulations and relevant orders of the Secretary of Labor.

18.1.4 Lessee shall furnish all information and reports required by Executive order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, and of the rules, regulations and relevant orders of the Secretary of Labor or pursuant thereto, and will permit access to his books, records and accounts by Government and the Secretary of Labor for purposes of investigating to ascertain compliance with such rules, regulations and orders.

18.1.5 In the event of Lessee's noncompliance with the equal opportunity clause of this Lease or with any of said rules, regulations or orders, this Lease may be canceled, terminated or suspended in whole or in part, after the expiration of all applicable cure periods, and Lessee may be declare ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, as amended by Executive order 11375 of October 13, 1967, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, or by rule, regulation or order of the Secretary of Labor, or otherwise provided by law.

18.1.6 Lessee will include the above provisions in every sublease unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, so that such provisions will be binding upon each sublessee. Lessee will take such action with respect to any sublessee as Government may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event Lessee becomes involved, or is threatened with litigation with sublessee as a result of such direction by Government, Lessee may request the United States to enter into such litigation to protect the interest of the United States.

18.2 This Lease, to the extent that it is a contract of a character specified in the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) and is not covered by the Walsh-Healy Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and exceptions of said Contract Work Hours and Safety Standards Act and to all other provisions and exceptions of said law.

18.2.1 Lessee shall not require or permit any laborer or mechanic in any workweek in which he is employed on any work under this Lease to work in excess of 40 hours in such work week on work subject to the provisions of the Contract Work Hours Standards Act unless such laborer or mechanic receives compensation at a rate not less than one and one-half times his basic rate of pay for all such hours worked in excess of 40 hours in such work week. The "basic rate of pay", as used in this clause, shall be the amount paid per hour, exclusive of Lessee's contribution or cost for fringe benefits and any cash payment made in lieu of providing fringe benefits or the basic hourly rate contained in the wage determination, whichever is greater.

18.2.2 In the event of any violation of the provision of Paragraph 18.2.1, Lessee shall be liable to any affected employee for any amounts due, and to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic employed in violation of the provisions of paragraph 18.2.1 in the sum of ten $10.00 for each calendar day on which such employee

was required or permitted to be employed on such work in excess of the standard workday of 8 hours or in excess of the standard work week of 40 hours without payment of the overtime wages required by Paragraph 18.2.1.

18.3 In connection with the performance of work required by this Lease, Lessee agrees not to employ any person undergoing a sentence of imprisonment at hard labor.

19. SUBMISSION OF NOTICES:

Notices shall be sufficient under this Lease if made in writing and to the addressees as

Lessee: City and County of San Francisco
Ms. Annemarie Conroy
San Francisco Mayor's Office
Treasure Island Project
410 Palm Ave. Bldg. 1, Room 237
Treasure Island
San Francisco, CA 94130

Government: Commanding Officer (Code 624)
Engineering Field Activity - West
Naval Facilities Engineering Command
900 Commodore Drive
San Bruno, CA 94066-5000

The individuals so designated above shall be representatives of the parties and the points of contact during the period of this Lease.

20. AUDIT:

This Lease shall be subject to audit by any and all cognizant Government agencies. Lessee shall make available to such agencies for use in connection with such audits all records which it maintains with respect to this Lease and copies of all reports required to be filed hereunder.

21. AMENDMENTS:

This Lease shall not be amended or modified unless in writing and signed by both parties. No oral statements or representation made by, for or on behalf of either party shall be a part of this Lease. Should a conflict arise between the provisions of this Lease and any exhibit hereto, or any other agreement between Government and Lessee, the provisions of this Lease shall take precedence.

22. FAILURE TO INSIST ON COMPLIANCE:

The failure of Government or Lessee to insist, in any one or more instances, upon performance of any of the terms, covenants or conditions of this Lease shall not be construed as a waiver or relinquishment of Government's or Lessee's right to the future performance of any such terms, covenants or conditions and Government's and Lessee's respective obligations in respect of such future performance shall continue in full force and effect.

23. DISPUTES:

23.1 This lease is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. 601-613) (the Act).

23.2 Except as provided in the Act, all disputes arising under or relating to this Lease shall be resolved under this clause.

23.3 "Claim", as used in this clause, means a written demand or written assertion by Lessee or Government seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of lease terms, or other relief arising under or relating to this Lease. A claim arising under this Lease, unlike a claim relating to this Lease, is a claim that can be resolved under a lease clause that provides for the relief sought by the claimant. However, a written demand or written assertion by Lessee seeking the payment of money exceeding $100,000 is not a claim under the Act until certified as required by subparagraph 23.4 below. A voucher, invoice or other routine request for payment that is not in dispute when submitted, is not a claim under the Act. The submission may be converted to a claim under the Act, by complying with the submission and certification requirements of this clause, if it is disputed either as to liability or amount or is not acted upon in a reasonable time.

23.4 A claim by Lessee shall be made in writing and submitted within six (6) years after accrual of the claim, to the Engineering Field Activity West (ATTN.: Code 624), Naval Facilities Engineering Command, 900 Commodore Drive, San Bruno, CA 94066-5006 herein called "Command", for a written decision. A claim by the Government against Lessee shall be subject to a written decision by the Command.

23.4.1 Lessee shall provide the certification specified in subparagraph 23.4.3 of this clause when submitting any claim:

(a) Exceeding $100,000; or
(b) Regardless of the amount claimed, when using:

(1) Arbitration conducted pursuant to 5 U.S.C. 575-580; or
(2) Any other alternative means of dispute resolution (ADR) technique that the agency elects to use in accordance with the Administrative Dispute Resolution Act (ADRA).

23.4.2 The certification requirement does not apply to issues in controversy that have not been submitted as all or part of a claim.

23.4.3 The certification shall state as follows: "I certify that the claim is made in good faith; that the supporting data are accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the contract adjustment for which Lessee believes Government is liable; and that I am duly authorized to certify the claim on behalf of Lessee."

23.4.4 The certification may be executed by any person duly authorized to bind Lessee with respect to the claim.

23.5 For Lessee claims of $100,000 or less, the Command, must, if requested in writing by Lessee, render a decision within 60 calendar days of the request. For Lessee-certified claims over $100,000, the Command, must, within 60 calendar days, decide the claim or notify Lessee of the date by which the decision will be made.

23.6 The Command's, decision shall be final unless Lessee appeals or files a suit as provided in the Act.

23.7 At the time a claim by the Lessee is submitted to the Command or a claim by Government is presented to Lessee, the parties, by mutual consent, may agree to use ADR. When using arbitration conducted pursuant to 5 U.S.C. 575-580, or when using any other ADR technique that the agency elects to employ in accordance with the ADRA, any claim, regardless of amount, shall be accompanied by the certification described in Paragraph 23.4.3 of this clause, and executed in accordance with Paragraph 23.4.4 of this clause.

23.8 Government shall pay interest on the amount found due and unpaid by Government from (1) the date the Command receives the claim (properly certified if required), or (2) the date payment otherwise would be due, if that date is later, until the date of payment. With regard to claims having defective certifications, as defined in FAR 33.201, interest shall be paid from the date that the Command initially receives the claim. Simple interest on claims shall be paid at the rate, fixed by the Secretary of the Treasury, as provided in the Act, which is applicable to the period during which the Command receives the claim and then at the rate applicable for each 6-month period as fixed by the Treasury Secretary during the pendency of the claim.

23.9 Lessee shall proceed diligently with the performance of Lease, pending final resolution of any request for relief, claim, appeal or action arising under Lease, and comply with any decision of the Command.

24. COVENANT AGAINST CONTINGENT FEES:

Lessee warrants that no person or agency has been employed or retained to solicit or secure this Lease upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established commercial agencies maintained by Lessee for the purpose of securing business. For breach or violation of this warranty, Government shall have the right to annul this Lease without liability or in its discretion, to require Lessee to pay the full amount of such commission, percentage, brokerage or contingent fee.

25. OFFICIALS NOT TO BENEFIT:

No member of or delegate to Congress or Resident Commissioner, shall be admitted to any share or part of this Lease or to any benefit to arise therefrom, but this provision shall not be construed to extend to this Lease if made with a corporation for its general benefit.

26. LIENS:

Lessee shall promptly discharge or cause to be discharged any valid lien, right in rem, claim or demand of any kind, except one in favor of Government, which at any time may arise or exist with respect to the Leased Property or materials or equipment furnished therefor, or any part thereof, and if the same shall not be promptly discharged by Lessee, or should Lessee or sublessee be declared bankrupt or make an assignment on behalf of creditors, or should the leasehold estate be taken by execution, Government reserves the right to take immediate possession without any liability to Lessee or any sublessee. Lessee and any sublessee shall be responsible for any costs incurred by Government in securing clear title to its property.

27. TAXES:

Lessee shall pay or cause to be paid to the proper authority, when and as the same become due and payable, all taxes, assessments and similar charges which, at any time during the term of this Lease, may be imposed upon Lessee with respect to its operations of the Leased Premises. Title 10 United States Code, Section 2667(e) contains the consent of Congress to the Taxation of Lessee's interest in Leased Premises, whether or not the Leased Premises are in an area of exclusive federal jurisdiction. Should Congress consent to taxation of Government's interest in the property, this Lease will be renegotiated.

28 SUBJECT TO EXISTING AND FUTURE EASEMENTS AND RIGHTS- OF-WAY:

This Lease is subject to all outstanding easements and rights-of-way for location of any type of facility over, across, in and upon Leased Premises or any portion thereof and to the right of Government to grant such additional easements and rights-of-way over, across, in and upon Leased Premises as it shall determine to be in the public interest; provided that any such additional easement or right-of-way shall be conditioned on the assumption by the grantee thereof of liability to Lessee for such damages as Lessee shall suffer for property destroyed or property rendered unusable on account of the grantee's exercise of its rights thereunder. There is hereby reserved to the holders of such easements and rights-of-way as are presently outstanding or which may hereafter be granted, to any workers officially engaged in the construction, installation, maintenance, operation, repair or replacement of facilities located thereon, and to any Federal, state or local official engaged in the official inspection thereof, such reasonable rights of ingress and egress over Leased Premises as shall be necessary for the performance of their duties with regard to such facilities.

29. INGRESS-EGRESS AND PARKING:

Lessee and any sublessees will be granted reasonable access to Leased Premises under this Lease. Such access will be coordinated with Government. As a condition, Lessee and any sublessees agree to adhere to all base rules and regulations regarding installation security, ingress, egress, safety and sanitation as may be prescribed from time to time by Government. Parking will be coordinated with Government.

30. ADMINISTRATION:

Except as otherwise provided for under this Lease, Government shall, under the direction of the Command, have complete charge of the administration of this Lease, and shall exercise full supervision and general direction thereof insofar as the interests of Government are affected.

31. SURRENDER:

Upon the expiration of this Lease or its earlier termination in accordance with the terms of this Lease, Lessee shall quietly and peacefully remove itself and its property from Leased Premises and surrender the possession thereof to Government. Government may, in its discretion, declare any property which has not been removed from Leased Premises upon expiration or termination provided for above, as abandoned property upon giving to Lessee an additional 30 calendar days notice after the termination date.

32. INTEREST:

32.1 Notwithstanding any other provision of this Lease, unless paid within thirty (30) calendar days from the due date, all amounts that become payable by Lessee to Government under this Lease (net any applicable tax credit under the Internal Revenue Code) shall bear interest from the date due. The rate of interest will be the Current Value of Funds rate published by the Secretary of Treasury pursuant to 31 U.S.C. 3717 (Debt Collection Act of 1982).

32.1.1 Amounts shall be, subject to applicable cure periods, due upon the earliest of:

32.1.1(a) the date fixed pursuant to this Lease,

32.1.1(b) the date of the first written demand for payment, consistent with this Lease, including demand consequent upon default termination,

32.1.1(c) the date of transmittal by Government to Lessee of a proposed supplemental agreement to confirm completed negotiations fixing the amount,

32.1.1(d) if this Lease provides for revision of prices, the date of written notice to Lessee stating the amount of refund payable in connection with a pricing proposal or in connection with a negotiated pricing agreement not confirmed by Lease supplement.

33. AVAILABILITY OF FUNDS:

33.1 The Government's obligations under this Lease are subject to the availability of funds appropriated for such purposes. Nothing in this Lease shall be interpreted to require obligations or payments by Government which are in violation of the Anti-Deficiency Act (31 USC 1341).

34. SPECIAL PROVISIONS:

34.1 Notwithstanding anything to the contrary contained in this Lease, there shall be no obligation for the payment or expenditure of money by Lessee under this Lease unless the Controller of the City and County of San Francisco first certifies, pursuant to Section 3.105 of the Charter of the City and County of San Francisco, that there is a valid appropriation from which the expenditure may be made and that unencumbered funds are available from the appropriation to pay the expenditure. Without limiting the foregoing, if in any fiscal year of City after the fiscal year in which the Term of this Lease commences, sufficient funds for the payment of any payments required under this Lease are not appropriated for any reason, then either party may terminate this Lease upon thirty (30) calendar days written notice and Lessee shall quietly and peacefully remove itself

and its property from Leased Premises and surrender possession thereof to the Government. Notwithstanding the foregoing, this section 34.1 shall not in any way limit or otherwise impair Lessee's indemnification obligation arising under Sections 13.12 and 16 of this Lease.

34.2 Article 1.5 of the San Francisco Planning Code ("Code") requires the provision of bicycle storage at all properties leased by the City at no cost to the landlord, here the Government, and only if funds are available. In the event public and/or private donations, grants or other funds become available, at any time during this Lease, Lessee shall have the right to request that the Government amend this Lease to include space sufficient for the installation and operation of bicycle storage facilities. In the event of storage locker installation, the storage lockers shall be considered a trade fixture. Government, at no cost to Government, shall reasonably cooperate with City regarding the implementation of this Code.

34.3 The date on which this Lease shall become effective (the "Effective Date") is the date upon which (i) Lessee's Mayor and Board of Supervisors enact a resolution approving this Lease in accordance with all applicable laws and (ii) this Lease is duly executed by the parties hereto.

35. LIST OF EXHIBITS:

The following exhibits are a part of this Lease:

Exhibit A - Leased Premises
Exhibit B - Inventory of Personal Property
Exhibit C - Joint Inspection Report
Exhibit D - EBS and FOSL
Exhibit E - Utility Rates Schedule
Exhibit F - Safety and Health Hazards to be Corrected
Exhibit G - Government's Obligations to Abate Asbestos

All correspondence in connection with this contract should include reference to:

N6247498RP00003

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth below duly executed this Lease as of the day and year first above written.

WITNESS

THE UNITED STATES OF AMERICA

By: _____
Real Estate Contracting Officer

Date: 9/4/98

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____

ANNEMARIE CONROY
Executive Director
Treasure Island Development Authority Project

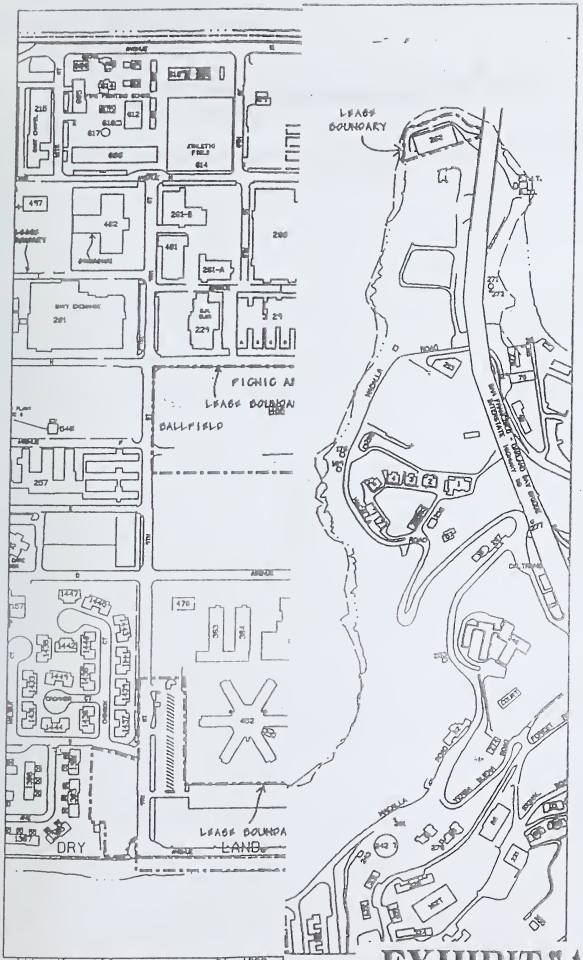
Title: _____

Date: 9-3-98

APPROVED AS TO FORM

CITY ATTORNEY

N6247498RP00003



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EXHIBIT "A"

EXHIBIT B

N6247498RP00003

INVENTORY OF PERSONAL PROPERTY

To be completed at time of move-in by both parties.

All correspondence in connection with this contract should include reference to:
N6247498RP00003

EXHIBIT C

JOINT INSPECTION REPORT

To be completed at time of move-in by both parties.

All correspondence in connection with this contract should include reference to:
N6247498RP00003

EXHIBIT D

EBS AND FOSL

Site-Specific Environmental Baseline Survey for Reuse Zone 1
Final of July 17, 1997

Finding of Suitability to Lease Zone 1A
Final of July 29, 1997

Finding of Suitability to Lease Zone 1C
Final of July 29, 1997

Record of Categorical Exclusion for the Short-Term License or Lease of Buildings and Grounds
December 29, 1997

UTILITIES AGREEMENT
SUPPORTING LEASE OF EVENTS VENUE
NAVAL STATION TREASURE ISLAND

ARTICLE 10, UTILITIES

(a) Portions of the Government's utilities systems serving the Station are located within the Premises and are reserved for use by the Government hereunder. The Lessee agrees to allow the Government or its utility suppliers reasonable access to the Premises for such operation, maintenance, repair and replacement of these utilities systems as may be required. In executing operation, maintenance, repair or replacement of these systems, the Government agrees to take all reasonable steps to limit interference with the use of the Premises by the Lessee or its approved sublessees or assignees.

(b) Prior to commencement of the term of this Lease, the Government and the Lessee will agree upon the terms and conditions for delivery of utility services by the Government to the Lessee which agreement will be appended as Exhibit "E" to this Lease. Conditions will include the following:

(1) Sewage discharge by the Lessee to the Government owned sewer system must meet all requirements of any applicable waste water discharge permit or contract issued by or between the Government and Bay Area Water Quality Management Board for discharge of sewage from the Station.

(2) Storm water discharged from the Premises must meet the requirements of permits issued to the Government in accordance with the National Pollution Discharge Elimination System (NPDES) for discharge of storm water from the Station. In addition, the Lessee agrees to participate in any storm water quality management program required by applicable local, State, or Federal regulations.

(c) The Lessee may, at its own cost, replace, remove, or relocate utility systems on the Premises in order to use the Premises, so long as there is no unreasonable interference with use by the Government of the utility systems and provided the Government has approved the replacement, removal or relocation in advance. Government approval shall not be unreasonably denied or delayed.

BACKGROUND

This exhibit implements the agreement stipulated in ARTICLE 10, of the Lease between the Lessee and the Government.

All correspondence in connection with this contract should include reference to:
N6247498RP00003

AGREEMENT

Pursuant to the requirements stipulated in ARTICLE 10 of said Lease, the Lessee and the Government hereby agree to the following with respect to Government-owned utility systems and to Government-provided utility services:

1. General

All utility services delivered at the premises shall be obtained from the City and County of San Francisco (CCSF) in accordance with provisions of Cooperative Agreement N624749720003 entered into by the Navy and CCSF. The Lessee agrees to conform to conditions of service which may be laid out by CCSF in addition to the general requirements of paragraphs 2.0 through 7.0, below. Assistance in obtaining service from CCSF can be obtained by contacting:

San Francisco Public Utilities Commission
410 Palm Ave., Building 1
Treasure Island
San Francisco, CA 94130

Attn.: Chuck Swanson, Utilities Project Manager
Phone: 415 274 0333

2.0 Metering

Electric, natural gas and water service will be authorized by the Government only after installation of meters which fully and exclusively measure consumption on the Premises. Prior to commencement of service the Lessee will insure that any additional metering which may be required has been installed by the San Francisco Public Utilities Commission (SFPUC), as the representative of the CCSF, or in accordance with SFPUC requirements and with written SFPUC authorization. Unless otherwise stipulated by the SFPUC, the volume of sewer discharge from the Premises will be assumed to equal water consumption as measured by applicable meters.

3.0 Commencement of Service

Service will commence after the Lessee, or any sublessee authorized by the Government, has established an account with the SFPUC and has made any advance service deposit which the SFPUC may require.

4.0 Rates

Until further notice by the Government, the following rates are in effect:

Utility	Unit	Charge Per Unit
electricity	MWH (million watt-hours)	$142.75
natural gas	MFC (1,000 cubic feet)	$ 6.00
water	KGAL (thousand gallons)	$ 5.40
sewer	KGAL	$ 5.75

5.0 Billing and Payment

Monthly bills for utilities services will be issued by the SFPUC to the Lessee or to a Government authorized sublessee as agreed upon between the Lessee and the SFPUC. Payment to the SFPUC is due within 10 working days of receipt of the bill. Adjustments to billed amounts may requested only after receipt of the billed amount by the SFPUC and may be granted by the SFPUC only after an error in the originally presented bill is clearly established and documented.

6.0 Service to Sublessees

As stated in paragraph 5.0, above, payment for utility service may be made directly to the SFPUC by a Government authorized sublessee, rather than by the Lessee, subject to agreement by the SFPUC. In the event any such agreement is made, the Lessee will insure that the applicable sublease contains provisions sufficient to bind the sublessee to all conditions of service given here as well as to any additional conditions of service which may be imposed by the SFPUC.

7.0 Failure by Sublessees to Make Payment

Any Government authorized sublessee obligated to make payment for utility services directly to the SFPUC will be considered in arrears if payment of any bill is not received within 30 working days of presentation to the sublessee by the SFPUC. In any such case, the liability for payment will immediately revert to the Lessee and will remain with the Lessee for the remainder of the term of this Lease.

SAFETY AND HEALTH HAZARDS TO BE CORRECTED

There are no safety or health hazards identified by the Government requiring correction.

All correspondence in connection with
this contract should include reference to:

Exhibit G

-N6247498RP00003

GOVERNMENT'S OBLIGATIONS TO ABATE ASBESTOS

No asbestos abatement to be performed by Government.

All correspondence in connection with
this contract should include reference to:

N6247498RP00P99

LEASE

BETWEEN

THE UNITED STATES OF AMERICA

AND

TREASURE ISLAND DEVELOPMENT AUTHORITY

FOR

THE SOUTH WATERFRONT AREA

NAVAL STATION TREASURE ISLAND

All correspondence in connection with
this contract should include reference to:

N6247498RP00P99

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N6247498RP00P99

LEASE
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE, made as of this 17 day of September, 1998, is by and between THE UNITED STATES OF AMERICA, acting by and through the Department of the Navy, herein called "**Government**", and TREASURE ISLAND DEVELOPMENT AUTHORITY, acting by and through the City and County San Francisco, a non-profit public benefit corporation, herein called "**Lessee**";

WITNESSETH:

WHEREAS, Government has declared certain real and personal property, as more particularly described as the Leased Premises in Paragraph 1, surplus at the Naval Station Treasure Island, San Francisco, California, (the "Installation"), and Lessee has identified an immediate need to use such real and personal property; and

WHEREAS, the Secretary of the Navy, pursuant to the provisions of 10 U.S.C. § 2667 (f)(1), has determined that this Lease will facilitate state and local economic adjustment efforts pending final disposition of the Leased Premises; and

WHEREAS, the Secretary of the Navy, pursuant to 10 U.S.C. § 2667 (f)(2) has determined that a public interest will be served as a result of this Lease, the fair market value of the Lease is either unobtainable or not compatible with such public benefit, and consequently, consideration for this Lease will be at less than fair market value; and

WHEREAS, to the extent that this Lease involves storage, treatment and disposal of toxic or hazardous materials, the Secretary of the Navy has determined that the proposed use of the Leased Premises, subject to the terms and conditions of this Lease, meets the criteria of 10 U.S.C. § 2692(b)(9) and (10); and

WHEREAS, the Secretary of the Navy, after consultation with the Environmental Protection Agency Administrator has determined that the Leased Premises is suitable for lease, and the uses contemplated for the Lease are consistent with protection of human health and the environment; and

WHEREAS, Lessee is recognized by the Secretary of the Defense, through the Office of Economic Adjustment, as the local redevelopment authority with the responsibility for the redevelopment of the Installation; and

WHEREAS, Lessee is a municipal corporation, created and organized under the laws of the State of California, with the power to acquire, lease and dispose of federal military installations, and Lessee desires to enter into this Lease to further reuse efforts at the Installation.

NOW THEREFORE, in consideration of the terms, covenants, and conditions set forth in this Lease, Government and Lessee hereby agree as follows:

1. LEASED PREMISES:

Subject to the terms and conditions of this Lease, Government does hereby lease, rent, and demise to Lessee, and Lessee does hereby hire and rent from Government, Buildings 1 (149,799 SF), 180 (77,481 SF), 2 (138,661 SF), 3 (144,767 SF), 34 (19,038 SF), 111 (5,459 SF) and 146 (675 SF), Pier 12 the Photo Booth and the Parking Lot between Buildings 7 and 233, all comprising approximately 1,747,208.605 square feet (40.11 acres) of land, all the premises as shown on Exhibit A, attached hereto, together with all improvements; and all personal property described in Exhibit B attached hereto, and all rights of ingress and egress to such real property (together, the "Leased Premises").

2. TERM:

The term of this Lease shall be for a period of two (2) years beginning on 4 Sep 1998 and ending on 3 Sep 2000 unless sooner terminated in accordance with the provisions of Paragraph 14, Termination.

3. CONSIDERATION:

3.1 As consideration for this Lease, Lessee agrees to (i) actively market the Installation and attempt to sublease those portions of the Leased Premises which are suitable for subleasing, (ii) provide protection and maintenance to the extent described in Paragraph 12 for those portions of the Leased Premises which are or have been during the term of this Lease used or occupied by Lessee or subleased by Lessee to another and (iii) pay Government the Common Area Maintenance Charge described in Sections 3.1.2 and 3.1.3 below.

3.1.1 As additional consideration, subject to annual appropriations by Lessee's Board of Supervisor's, Lessee shall apply any Revenue (as defined herein) received from subleasing the Premises as follows: first, to reimburse itself for marketing and property management expenses incurred by Lessee; and second, for expenses incurred by Lessee for improvements to the Installation. If sufficient funds for the purposes described in this Section 3.1.1 are not appropriated for any reason in any fiscal year of the Lease after the fiscal year in which the Term of this Lease commences, then Government may terminate this Lease, without liability, upon thirty (30) calendar days written notice.

"Revenue" as referred to herein means rental income and any other miscellaneous income derived from the subletting of the Leased Premises less (i) sales tax, use and occupancy tax, franchise tax and any other taxes, building fees, planning fees and inspection fees related to the use and occupancy of the Leased Premises, and (ii) Lessee's cost of operating, maintaining, protecting and repairing the Leased Premises including, without limitation, any Common Area Maintenance Charges paid to Government pursuant to this Section 3.1.

3.1.2 Lessee shall be responsible for paying the cost of services incurred by Government and provided for the benefit of Lessee and sublessees as described and in the amount set forth in Paragraph 3.1.3 (the "Common Area Maintenance Charge"). Lessee shall pay Government the Common Area Maintenance Charge on the first day of each month.

3.1.3 The Common Area Maintenance Charge will be calculated as follows:

$0.050 per square foot per month of occupied building space (1) used or occupied by Lessee; (2) subleased by Lessee to another.

$0.003 per square foot per month of land area (1) used or occupied by Lessee; (2) subleased by Lessee to another.

The Common Area Maintenance Charge may be revised by Government and Lessee on an annual basis, or at other times only upon mutual agreement of Government and Lessee or as required by Section 3.1.4 below.

"Common Area Maintenance" for the purpose of the Common Area Maintenance Charge shall include, but are not limited to: fire fighting; general perimeter security (this does not include security of those portions of Leased Premises which are (1) used or occupied by Lessee, (2) subleased by Lessee to another); causeway operations, maintenance and repair; maintenance and repair of roads, streets, sidewalks, curbs and gutters; operation, maintenance and repair of street lighting, street signals and signage; operation, maintenance and repair of storm sewer; pest control, and general administration of these services. Nothing in this Lease commits Government to continue to provide Common Area Maintenance referenced herein.

3.1.4 If and to the extent Government reduces, modifies or ceases to provide all or portion of the Common Area Maintenance described herein or to the extent Lessee assumes the responsibility for such Common Area Maintenance pursuant to a cooperative agreement or other agreement with Government, the Common Area Maintenance Charge shall be proportionately reduced, to an amount mutually agreed upon by Government and Lessee, so that at all times during the term of this Lease the amount of the Common Area Maintenance Charge shall accurately and in substantially the same proportion as provided herein reflect the costs of Government in providing such Common Area Maintenance.

3.1.5 If the Government expects to incur any unanticipated costs which are specifically attributable to an action or inaction of the Lessee, its sublessees, or assigns, the Lessee and the Government shall meet and confer on ways to avoid or mitigate such costs and, if the costs can not be entirely avoided, the Lessee and Government shall mutually determine the

amount that Lessee shall pay from revenue in addition to the Common Area Maintenance Charge to defray those costs that cannot be avoided or mitigated. If the Lessee and Government are unable to reach agreement on a way to avoid or mitigate the unanticipated costs or the amount of compensation that the Lessee shall pay to the Government to defray such costs, their dispute shall be resolved in accordance with the provisions of Paragraph 23 of this Lease.

3.2 Consistent with standard accounting practices for tax purposes, Lessee shall keep adequate records and books of account showing the actual cost to it of all items of labor, material, equipment, supplies, services and other items of cost incurred by it directly in the performance of any item of work or service in the nature of marketing and management; the repair, restoration, protection and maintenance of Leased Premises which is required by Paragraph 12; or otherwise approved or directed by Government. Lessee shall provide Government with access to such records and books of account and proper facilities for inspection thereof at all reasonable times.

4. USE OF LEASED PREMISES:

4.1 The Leased Premises may be used and operated by Lessee as administrative and office space; subleased for use as a production facility for motion pictures, commercial and television filming and related activities; storage of files and records and office related equipment; and use for special events and other commercial and/or recreational purposes. Lessee understands and acknowledges that this is not and does not constitute a commitment by Government with regard to the ultimate disposal of Leased Premises, in whole or in part, to Lessee or any agency or instrumentality thereof, or to any sublessee. The Lease may be terminated by Government or Lessee as provided by the terms of the Lease pursuant to Paragraph 14, and Lessee and Government agree to and acknowledge such terms.

4.2 Lessee shall not undertake any activity that may affect an identified historic or archeological property, including excavation, construction, alteration or repairs of Leased Premises, without the approval of Government. Buried cultural materials may be present on the Leased Premises. If such materials are encountered, Lessee shall stop work immediately and notify Government.

5. SUBLETTING:

5.1 Lessee is authorized to sublease property included in this lease without obtaining Navy approval of the sublease, provided the sublease incorporates the terms of this lease (except for rental terms which may be different in amount or expressed differently) and does not include any provisions that are inconsistent with this lease. A copy of the sublease must be provided to the Navy Local Representative. In the event that the terms and conditions of the proposed sublease do not comply with or are not included in this Lease, then prior Government approval is required. Any proposed sublease which involves the use of hazardous or toxic materials,

including those of an explosive, flammable, or pyrotechnic nature, as provided in 10 U.S.C. 2692, shall require prior Government approval. Such consent shall not be unreasonably withheld or delayed. Each sublease shall contain the environmental protection provisions set forth in Paragraph 13 herein. Under no circumstances shall Lessee assign this Lease.

5.2 Any sublease granted by Lessee shall contain a copy of this Lease as an attachment and be subject to all terms and conditions of this Lease and shall terminate immediately upon the expiration or any earlier termination of this Lease, without any liability on the part of Government to Lessee or any sublessee. Under any sublease made, with or without consent, the sublessee shall be deemed to have assumed all of the obligations of Lessee under this Lease. No sublease shall relieve Lessee of any of its obligations hereunder.

5.3 Upon its execution, a copy of the sublease shall immediately be furnished to the Navy Local Representative. Should a conflict arise between the provisions of this Lease and a provision of the sublease, the provisions of this Lease shall take precedence. Any sublease shall not be taken or construed to diminish or enlarge any of the rights or obligations of either of the parties under this Lease.

6. **JOINT INSPECTION & INVENTORY REPORT:**

6.1 Joint Inspection. Representatives of the Lessee and Government shall conduct a joint inspection of all portions of the Leased Premises to be (1) beneficially used or occupied by the Lessee; (2) assigned by the Lessee to another; or (3) subleased by Lessee to another for any purpose. Such inspections shall be completed before any such use begins and may include a representative of the sublessee if appropriate. Based on the joint inspection, a complete inventory of Government property located on the Leased Premises and a report of the condition of the Leased Premises, including the condition of improvements, appurtenances and personal property thereon, has been prepared and is attached to this Lease as Exhibit C.

6.2 No Warranty by Government. All facilities and property delivered to the Lessee shall be delivered "as is, where is," and, as such, the Government makes no warranty as to such facilities and property either as to their usability generally or as to their fitness for any particular purpose. As provided in Section 12 of this Lease, Lessee shall, at no expense to Government, maintain those portions of the Leased Premises which Lessee uses or subleases, and will from time to time make or cause to be made all necessary and proper repairs, replacements, and renewals which shall thereupon become part of the Leased Premises. During the term of this Lease, Government shall have no responsibility, financial or otherwise, except as otherwise described herein with respect to protection and maintenance of the Leased Premises.

6.3 In accordance with 32 CFR §91.7(h), governing the disposition of personal property at closing military bases, Personal Property shall be identified throughout the Installation for use in connection with redevelopment of the Installation. At no expense to Government, and only with Government approval, Personal Property may be relocated from other buildings to the Leased

Premises in order to facilitate redevelopment, including exclusive use thereof by the sublessee during the Term of this Lease. Each inventory, upon completion, shall be identified by building or facility number, and signed and dated by both parties to this Lease and attached to this Lease as part of the Joint Inspection Report attached hereto as Exhibit C.

7. ENVIRONMENTAL BASELINE SURVEY AND FINDINGS OF SUITABILITY TO LEASE:

An Environmental Baseline Survey for Lease (EBSL) and a Finding of Suitability to Lease (FOSL) are attached to this Lease as Exhibit D and made part of this Lease. The EBSL sets forth the existing environmental conditions of the Leased Premises as represented by the baseline survey which has been conducted by Government. The FOSL sets forth the basis for the Government's determination that Leased Premises are suitable for leasing. Lessee is hereby made aware of the information contained in the FOSL attached hereto as Exhibit D and shall comply with applicable restrictions set forth therein.

8. ALTERATIONS:

8.1 Lessee shall not construct, make or permit its sublessees to construct or make any substantial alterations, additions, excavations, improvements to, installations upon or otherwise modify or alter the Leased Premises in any way, including those which may adversely affect the remediation of hazardous materials on the Installation (together, "Alterations") without the prior written consent of Government. Such consent may not be unreasonably withheld or delayed, but may involve, where reasonably necessary, a requirement for Lessee or Lessee's contractor to provide the government with a performance and payment bond satisfactory to it in all respects and other requirements deemed reasonably necessary to protect the interests of the Government.

8.2 Upon termination of this Lease, as directed by Government, Lessee shall, at the option of the Government either:

8.2.1 Promptly remove all alterations, additions, betterments and improvements made or installed and restore the Leased Premises to the same or as good condition as existed on the date of entry under this Lease, reasonable wear and tear and acts of God excepted; or

8.2.2 Abandon such additions or alterations in place, at which time title to such alterations, improvements and additions shall vest in Government.

8.2.3 In either event all personal property and trade fixtures of Lessee or any third person may be removed from the Leased Premises and Lessee shall repair any damage to the Leased Premises resulting from such removal.

9. ACCESS BY GOVERNMENT:

In addition to access required under Paragraph 13, at all reasonable times throughout the term of this Lease, Government shall be allowed reasonable access to the Leased Premises for any purpose. Government will give Lessee or any sublessee at least twenty-four (24) hour prior notice of its intention to enter the Leased Premises, unless it determines the entry is immediately required for safety, environmental, operations or security purposes. Lessee shall have no claim on account of any entries against Government or any officer, agent, employee, contractor or subcontractor of Government. All keys to the buildings and facilities occupied by Lessee or any sublessee shall be made available to Government upon request.

10. UTILITIES AND SERVICES:

Procurement of utilities (i.e., electricity, water, gas, sewer, telephone and trash removal) will be the responsibility of Lessee. Lessee agrees to obtain needed utility services from any private or municipal supplier who should, during the term of Lease, become able to deliver such services to Leased Premises. In the event that Government shall furnish Lessee with any utilities or services maintained by Government which Lessee may require in connection with its use of Leased Premises, Lessee shall pay Government the cost incurred in providing such utilities or services in the amounts set forth in Exhibit E attached hereto, which rates shall be determined by Government and Lessee in accordance with applicable laws and regulations. Lessee, at no cost to Government, shall install metering devices for utilities serving the Leased Premises prior to its occupancy. The volume of utilities used by Lessee shall be determined by such metering devices. It is expressly agreed and understood that Government in no way warrants the continued availability, maintenance or adequacy of any utilities or services furnished to Lessee.

11. NON-INTERFERENCE WITH GOVERNMENT OPERATIONS:

Lessee shall not conduct operations nor make any alterations that would interfere with or otherwise restrict operations, environmental clean-up or restoration actions by Navy, Environmental Protection Agency (EPA), applicable state equivalent, or their contractors. Environmental clean-up, restoration or testing activities by these parties shall take priority over Lessee's use of Leased Premises in the event of any conflict. However, Government and Lessee agree to coordinate to minimize potential conflicts between necessary remediation of environmental contamination, including investigation and remedial actions, and Lessee's and any sublessee's use of Leased Premises.

12. PROTECTION AND MAINTENANCE SERVICES:

12.1 Except as otherwise specifically provided herein, Lessee shall furnish or cause to be furnished all labor, supervision, materials, supplies and equipment necessary to the operation, maintenance and repair of the following building systems and appurtenances located in or on the Leased Premises: structural (including roof), fencing, plumbing, electrical, heating and cooling systems; exterior utility systems (including fire hydrants and mains); pavement and grounds

maintenance (including grass cutting, shrub trimming and tree removal); pest and weed control; security and fire protection within Leased Premises; refuse collection, removal and disposal; and utilities maintenance necessary for the protection of Leased Premises. Government shall not be required to furnish any services or facilities to Lessee or to make any repair or alteration in or to Leased Premises. Lessee hereby assumes the full and sole responsibility for the protection, maintenance and repair of Leased Premises set forth in this paragraph. For specifics as to such protection and maintenance required to be provided by Lessee hereunder, the following provisions shall apply:

12.1.1 The degree of maintenance and repair services to be furnished by Lessee hereunder shall be that which is sufficient to assure weather tightness, structural stability (excluding any seismic retrofit and/or modification to foundations resulting from extraordinary natural occurrences such as earthquakes, floods and landslides), protection from fire hazards or erosion, and elimination of safety and health hazards which arise during the term of the Lease and which are not caused by the actions of Government or its employees, contractors or agents, so that the Leased Premises being serviced will remain in the condition in which they existed at the commencement of the Lease as documented in the Joint Inspection and Inventory Report prepared pursuant to Paragraph 6, ordinary wear and tear and acts of God excepted. Prior to use and occupancy, Lessee shall correct the safety and health hazards described on Exhibit F.

12.2 During term the of this Lease, debris, trash and other useless materials placed on the Leased Premises during the term of this Lease shall be promptly removed from the Leased Premises. Upon termination or expiration of this Lease, the Leased Premises shall be left without containers, Lessee's equipment, and other undesirable materials placed on the Leased Premises during the term of this Lease (except by Government) and in as clean condition as received by Lessee.

12.3 Lessee shall provide or cause to be provided all security services necessary to assure security and safety within the Leased Premises. Any crimes or other offenses, including traffic offenses and crimes and offenses involving damage to or theft of Government property, shall be reported to the appropriate authorities for their investigation and disposition and to Government as property owner.

12.4 Lessee shall take or cause to be taken, all reasonable and necessary fire protection precautions at the Leased Premises. Such precautions may include, but are not limited to, the maintenance of any sprinkler system that exists on the effective date of this Lease and/or the provision of portable fire extinguishers for fire protection of Leased Premises.

12.5 Lessee is responsible for the repair and maintenance of all interior utility systems and those exterior utility systems, distribution lines, connections and equipment which solely support the Leased Premises. This responsibility extends from the Leased Premises to the point of connection with the utility system which serves users other than Lessee.

12.6 Lessee shall ensure only trained and qualified persons are utilized in performance of the maintenance and protection services specified in this paragraph.

13. ENVIRONMENTAL PROTECTION PROVISIONS:

13.1 Lessee, sublessees and contractors shall comply with all applicable Federal, state and local laws, regulations and standards that are or may become applicable during the term of this Lease to Lessee's activities on the Leased Premises.

13.2 Lessee or any sublessee shall be solely responsible for obtaining, at no cost to Government, any environmental permits required for its operations under the Lease, independent of any existing permits held by the Government. Nothing in this Lease shall require Lessee to become a secondary discharger or co-permittee on any existing environmental permit held by Government relating to the operation of the Installation, including, without limitation, any environmental permits associated with the operation of the Installation's sewage treatment plant. Any and all environmental permits required for any of Lessee's or sublessees' operations or activities will be subject to prior concurrence of the Commanding Officer, Engineering Field Activity West, Naval Facilities Engineering Command. Lessee acknowledges that the Government will not consent to being named a secondary discharge or co-permittee for any operations or activities of the Lessee or any sublessee under the Lease. In the event the Government is named as a secondary discharger or co-permittee for any activity or operation of the Lessee or any sublessee, Government shall have the right to take reasonable actions necessary to prevent, suspend, or terminate such activity or operation, including terminating this Lease, without liability or penalty.

13.3 Government's rights under this Lease specifically include the right for Government officials to inspect upon reasonable notice the Leased Premises for compliance with environmental, safety and occupational health laws and regulations, whether or not Government is responsible for enforcing them. Such inspections are without prejudice to the right of duly constituted enforcement officials to make such inspections. Government will give Lessee or sublessee twenty-four (24) hours prior notice of its intention to enter Leased Premises unless it determines the entry is immediately required for safety, environmental, operations or security purposes. Lessee shall have no claim on account of any entries against the United States or any officer, agent, employee, contractor or subcontractor thereof.

13.4 Government and its officers, agents, employees, contractors and subcontractors have the right, upon reasonable notice to Lessee and any sublessee, to enter upon the Leased Premises for the purposes enumerated in this subparagraph:

13.4.1 to conduct investigations and surveys, including, where necessary, drilling, soil and water sampling, testpitting, testing soil borings and other activities related to the Installation Restoration Program (IRP);

13.4.2 to inspect field activities of Government and its contractors and subcontractors in implementing the IRP;

13.4.3 to conduct any test or survey related to implementation of the IRP or environmental conditions at Leased Premises or verify any data submitted to EPA or applicable state equivalent by Government relating to such conditions;

13.4.4 to construct, operate, maintain or undertake any other response or remedial action as required or necessary under the IRP, including but not limited to monitoring wells, pumping wells and treatment facilities.

13.5 Lessee agrees to comply with the provisions of any health or safety plan in effect under the IRP during the course of any of the above described response or remedial actions. Any inspection, survey, investigation or other response or remedial action will, to the extent practicable, be coordinated with representatives designated by Lessee and any sublessee. Lessee and sublessee shall have no claim on account of such entries against the United States or any officer, agent, employee, contractor or subcontractor thereof. In addition, Lessee shall comply with all applicable Federal, state and local occupational safety and health regulations.

13.6 Lessee further agrees that if the Leased Premises are subject to ongoing environmental remediation by Government, during such period, Lessee shall provide to EPA and applicable state equivalent by certified mail a copy of any sublease of the Leased Premises within fourteen (14) calendar days after the effective date of such sublease. Lessee may delete the financial terms and any other proprietary information from the copy of any agreement of assignment or sublease furnished pursuant to this condition.

13.7 Lessee shall strictly comply with the hazardous waste permit requirements under the Resource Conservation and Recovery Act or its applicable state equivalent. Except as specifically authorized by Government in writing, Lessee must provide at its own expense such hazardous waste management facilities as required by its use of the Leased Premises, complying with all laws and regulations. Government hazardous waste management facilities will not be available to Lessee. Any violation of the requirements of this condition shall be deemed a material breach of this Lease.

13.8 DOD component accumulation points for hazardous and other waste will not be used by Lessee or any sublessee. Neither will Lessee or sublessee permit its hazardous wastes to be commingled with hazardous waste of DOD Component.

13.9 Before beginning operations on the Leased Premises, Lessee shall have a Government-approved plan for responding to hazardous waste, fuel and other chemical spills. Such plan shall be independent of the Installation plan and, except for initial fire response and/or spill containment, shall not rely on the use of Installation personnel or equipment. Should Government provide to the Leased Premises any personnel or equipment whether for initial fire response and/or spill containment, or otherwise on request of Lessee, or because Lessee was not,

in the reasonable opinion of Government, conducting timely cleanup actions, Lessee agrees to reimburse Government for its reasonable and actual costs in association with such response or cleanup upon receipt of an invoice for such costs.

13.10 Lessee shall not conduct or permit its sublessees to conduct any subsurface excavation, digging, drilling or other disturbance of the surface without the prior written approval of Government, which consent shall not be unreasonably withheld or delayed.

13.11 To the extent required by law and regulation, Government shall abate, remove or otherwise remedy all friable, accessible and damaged asbestos containing material (ACM), lead based paint (LBP) and polychlorinated biphenyls (PCBs) from Leased Premises. The presence of known ACM, LBP or PCBs shall be fully identified in an Environmental Baseline Survey (EBS) and/or Supplemental Environmental Baseline Survey (SEBS), attached as an Exhibit.

13.11.1 Except as provided in Paragraph 13.11.2, Government is not responsible for any removal or containment of asbestos containing materials (ACM). If Lessee intends to make any improvements or repairs that require the removal of asbestos, an appropriate asbestos disposal plan must be incorporated into the plans and specifications and submitted to Government. The asbestos disposal plan will identify the proposed disposal site for the asbestos, or in the event the site has not been identified, will provide for disposal at a licensed facility authorized to receive it.

13.11.2 Government shall be responsible for the removal or containment of the ACM identified as requiring abatement shown on Exhibit G attached hereto as damaged or deteriorated ACM. Government agrees to abate these listed items of damaged or deteriorated ACM. Government may choose the most economical means of abating any damaged or deteriorated ACM, which may include removal, repair or containment (encapsulation), or a combination of removal, repair and containment. The forgoing obligation of Government does not apply to any ACM other than that identified in Exhibit G. Notwithstanding Paragraph 13.11.1 above, in an emergency, Lessee will notify Government as soon as practicable of its emergency ACM responses. Lessee shall be responsible for monitoring the condition of existing ACM on Leased Premises for deterioration or damaged and accomplishing repairs or abatement pursuant to the applicable conditions of this Lease.

13.12 Lessee shall indemnify and hold harmless Government from any costs, expenses, liabilities, fines or penalties resulting from discharges, emissions, spills, storage or disposal arising from Lessee's occupancy, use or operations, or any other action by Lessee or any sublessee during the term of this Lease giving rise to Government liability under Federal, state or local environmental laws. Lessee's obligations hereunder shall apply whenever Government incurs costs or liabilities as a result of Lessee's activities or activities of any sublessee as provided hereunder. However, this indemnity does not extend to those damages which are due to the fault or negligence of Government or its contractors. This provision shall survive the expiration or termination of this Lease.

13.13 Storage, treatment or disposal of toxic or hazardous materials on the Leased Premises is prohibited excepted as authorized by Government in accordance with 10 U.S.C. § 2692. The materials identified on Exhibit H attached hereto have been authorized by Government in accordance with 10 U.S.C. § 2692.

13.14 The responsibility of Government to indemnify and hold harmless the Lessee and any sublessee against any toxic torts and other environmental claims shall be in accordance with Public Law 102-484, the National Defense Authorization Act for Fiscal Year 1993, Section 330, as amended.

13.15 If Lessee or a sublessee encounters pre-existing conditions caused by the Government which require the Government to take action in accordance with Federal, State or local law to remove, remediate, correct, or abate hazardous substances, pollutants or contaminants, the Lessee or sublessee shall promptly notify the Government, cease performance, and secure the work site. Vacation of the Leased Premises, or any part thereof, will be directed pursuant to the provisions of Section 15 of this Lease. The Government will take necessary and appropriate actions, as required by Federal, State or local law, and bear the cost of such removal, remediation, corrective action, or abatement, subject to the availability of funds for such purpose.

14. TERMINATION:

14.1 Government shall have the right to terminate this Lease, in whole or in part, without liability, upon thirty (30) calendar days written notice:

14.1.1 In the event of the Government making a final decision on disposal of the Leased Premises that is inconsistent with continued use thereof by Lessee under this Lease; or

14.1.2 In the event of a national emergency as declared by the President or the Congress of the United States and Government makes a determination that such national emergency requires termination of this Lease; or

14.1.3 If, at any time after January 1, 2003, (a) Government has complied with all applicable legal requirements to convey fee title to the Premises, (b) Government has satisfied in full all of its obligations under this Lease, (c) Government tenders to Lessee a conveyance of fee ownership of the Premises after negotiating in good faith with respect to establishing reasonable terms, conditions of, and consideration for such conveyance, and (d) Lessee fails to accept such conveyance within one hundred eighty (180) calendar days of written notice of such tender; or

14.1.4 In the event of a breach by Lessee of any of the terms and conditions hereof. In the event of a breach involving the performance of any obligation, Lessee shall be afforded thirty (30) calendar days from the receipt of Government's written notice of intent to terminate to complete performance of the obligation or otherwise cure the subject breach and avoid termination of this Lease, unless Government determines that a shorter period is required for safety, environmental, operations or security purposes. In the event that Government shall

elect to terminate this Lease on account of the breach by Lessee of any of the terms and conditions, Government shall be entitled to recover and Lessee shall pay to Government:

14.1.4(a) The costs incurred in resuming possession of the Leased Premises.

14.1.4(b) The costs incurred in performing any obligation on the part of the Lessee to be performed hereunder, but only after notice to Lessee and the expiration of all applicable cure periods.

14.1.4(c) An amount equal to the aggregate of any maintenance obligations and charges assumed hereunder and not paid or satisfied, which amounts shall be due and payable at the time when such obligations and charges would have accrued or become due and payable under this Lease.

14.2 Lessee shall have the right to terminate this Lease upon thirty (30) calendar days written notice to Government in the event of breach by Government of any of the terms and conditions hereof. In the event of a breach involving the performance of any obligation, Government shall be afforded thirty (30) calendar days from the receipt of Lessee's notice of intent to terminate to complete performance of the obligation or otherwise cure the subject breach and avoid termination of this Lease. Lessee shall also have the right to terminate this Lease in the event of damage to or destruction of all of the improvements on Leased Premises or such a substantial portion thereof as to render Leased Premises incapable or impracticable of use for the purposes for which it is leased hereunder, provided:

14.2.1 Government either has not authorized or directed the repair, rebuilding or replacement of the improvements or has made no provision for payment for such repair, rebuilding or replacement by application of insurance proceeds or otherwise; and

14.2.2 That such damage or destruction was not occasioned by the fault or negligence of Lessee or any of its officers, agents, servants, employees, subtenants, licensees or invitees, or by any failure or refusal on the part of Lessee to fully perform its obligations under this Lease.

14.2.3 If Government requires Lessee or any sublessee to vacate all or a substantial portion of Leased Premises pursuant to any provision of this Lease for a period in excess of thirty (30) calendar days, Lessee may terminate this Lease by written notice to Government given at any time while Lessee shall continue to be denied use of all or a substantial portion of Leased Premises. Lessee shall thereafter surrender possession of Leased Premises within fifteen (15) calendar days of such notice.

15. ENVIRONMENTAL CONTAMINATION:

In the event environmental contamination is discovered on the Leased Premises which creates, in Government's determination, an imminent and substantial endangerment to human health or the environment which necessitates evacuation of the Leased Premises, and notwithstanding any other termination rights and procedures contained in this Lease, Lessee shall vacate or require any sublessee to vacate Leased Premises immediately upon notice from Government of the existence of such a condition. Exercise of this right by Government shall be without liability, except that Lessee shall not be responsible for the payment of consideration, the amount of deduction to be determined on a daily pro-rata basis, during the period Leased Premises is vacated, and Lessee shall have the right to terminate this Lease if, as provided in Section 14.3 above, Lessee or any sublessee is deprived of the beneficial use and occupancy of the Leased Premises for a period in excess of thirty (30) days. Government's exercise of this right herein to order the Leased Premises immediately vacated does not alone constitute a termination of the Lease, but such right may be exercised in conjunction with any other termination rights provided in this Lease or by law.

16. NON-ENVIRONMENTAL INDEMNIFICATION BY LESSEE:

The Lessee shall hold harmless, indemnify, and defend the Government from and against any suit, claim, demand or action, liability, judgment, cost or other fee arising out of any claim for injury or damage that results from, or is any manner predicated upon activities of the Lessee on the Leased Property during the term of the Lease. This indemnification applies to any fines, claims, demands and causes of action of every nature whatsoever which may be made upon, sustained or incurred by Government by reasons of any breach, violation, omission or non-performance of any term, covenant or condition hereof on the part of Lessee or the employees, agents, servants, guests, invitees and sublessees of Lessee. This indemnification also applies to claims arising out of the furnishing of any utilities or services by Government or any interruption therein or failure thereof, whether or not the same shall be occasioned by the negligence or lack of diligence of Lessee, its officers, agents, servants, employees or sublessees. However, this indemnity does not extend to those damages which are due to the fault or negligence of Government or its contractors. This covenant shall survive the termination of this Lease.

17. INSURANCE:

17.1 At the commencement of this Lease, Lessee shall obtain, from a reputable insurance company or companies, liability insurance or shall maintain a program of self-insurance. The insurance shall provide an amount not less than a minimum combined single limit of $10 million, for any number of persons or claims arising from any one incident with respect to bodily injuries or death resulting therefrom, property damage or both, suffered or alleged to have been suffered by any person or persons resulting from the operations of Lessee, sublessees, contractors and invitees under the terms of this Lease. Lessee shall provide Government certificates of its self-

insurance or require its insurance company to furnish Government a copy of the policy or policies, or if acceptable to Government, certificates of insurance evidencing the purchase of such insurance. The minimum amount of liability insurance coverage is subject to revision by Government every three years or upon renewal or modification of this Lease.

17.2 As to those structures and improvements on Leased Premises constructed by or owned by Government, Lessee shall procure and maintain at Lessee's cost a standard fire and extended coverage insurance policy or policies or a program of self-insurance on the Leased Premises in an amount sufficient to demolish damaged or destroyed structures and improvements, remove debris and clear the Leased Premises. Should Lessee elect to purchase commercial insurance in lieu of self-insurance, Lessee shall procure such insurance from a reputable company or companies. In that event, the insurance policy shall provide that in the event of loss thereunder, the proceeds of the policy or policies, at the election of Government, shall be payable to Lessee to be used solely for the demolition of damaged or destroyed structures and improvements, removal of debris and clear the Leased Premises or for repair, restoration, or replacement of the property damaged or destroyed. Any balance of the proceeds not required for such purposes shall be paid to Government. If Government does not elect, by notice in writing to the insurer within thirty (30) calendar days after the damage or destruction occurs, to have the proceeds paid to Lessee for the purposes herein above set forth, then such proceeds shall be paid to Government, provided however that the insurer, after payment of any proceeds to Lessee in accordance with the provision of the policy or policies, shall have no obligation or liability with respect to the use or disposition of the proceeds by Lessee. Nothing herein contained shall be construed as an obligation upon Government to repair, restore or replace Leased Premises or any part thereof.

17.3 If and to the extent required by law, Lessee shall provide workmen's compensation or similar insurance or self-insurance in form and amounts required by law.

17.4 During the entire period this Lease shall be in effect, Lessee shall require its contractors or sublessees or any contractor performing work at Lessee's or sublessee's request on Leased Premises to carry and maintain the insurance required below:

17.4.1 Comprehensive general liability insurance, including, but not limited to, contractor's liability coverage and contractual liability coverage, of not less than $3 million, per occurrence with respect to personal injury or death, and $5 million, per occurrence with respect to property damage.

17.4.2 Workman's compensation or similar insurance in form and amounts required by law.

17.5 Should Lessee purchase commercial insurance in lieu of self-insurance, all insurance which this Lease requires Lessee or sublessee to carry and maintain or cause to be carried or maintained shall be in such form, for such periods of time, and with such insurers as Government may reasonably require or approve. In that event, all policies or certificates issued

by the respective insurers for public liability and property insurance will name Government as an additional insured, provide that any losses shall be payable notwithstanding any act or failure to act or negligence of Lessee or Government or any other person, provide that no cancellation, reduction in amount, or material change in coverage thereof shall be effective until at least thirty (30) calendar days after receipt by Government of written notice thereof; provide that the insurer shall have no right of subrogation against Government; and be reasonably satisfactory to Government in all other respects. In no circumstances will Lessee be entitled to assign to any third party, rights of action which Lessee may have against Government.

17.6 Lessee and sublessees shall deliver or cause to be delivered promptly to Government a certificate of insurance or self-insurance evidencing the insurance required by this Lease and shall also deliver no later than thirty (30) calendar days prior to expiration of any such policy, a certificate of insurance evidencing each renewal policy covering the same risks.

18. LABOR PROVISION:

During the term of this Lease, Lessee agrees as follows:

18.1 Lessee will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. Lessee shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation and selection for training, including apprenticeship. Lessee agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by Government setting forth the provisions of this nondiscrimination clause.

18.1.1 Lessee shall, in all solicitations or advertisements for employees placed at Leased Premises by or on behalf of Lessee, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

18.1.2 Lessee shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice to be provided by Government, advising the labor union or worker's representative of Lessee's commitments under this equal opportunity clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

18.1.3 Lessee shall comply with all provisions of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, and of the rules, regulations and relevant orders of the Secretary of Labor.

18.1.4 Lessee shall furnish all information and reports required by Executive order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, and of the rules, regulations and relevant orders of the Secretary of Labor or pursuant thereto, and will permit access to his books, records and accounts by Government and the Secretary of Labor for purposes of investigating to ascertain compliance with such rules, regulations and orders.

18.1.5 In the event of Lessee's noncompliance with the equal opportunity clause of this Lease or with any of said rules, regulations or orders, this Lease may be canceled, terminated or suspended in whole or in part, after the expiration of all applicable cure periods, and Lessee may be declare ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, as amended by Executive order 11375 of October 13, 1967, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, or by rule, regulation or order of the Secretary of Labor, or otherwise provided by law.

18.1.6 Lessee will include the above provisions in every sublease unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, so that such provisions will be binding upon each sublessee. Lessee will take such action with respect to any sublessee as Government may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event Lessee becomes involved, or is threatened with litigation with sublessee as a result of such direction by Government, Lessee may request the United States to enter into such litigation to protect the interest of the United States.

18.2 This Lease, to the extent that it is a contract of a character specified in the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) and is not covered by the Walsh-Healy Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and exceptions of said Contract Work Hours and Safety Standards Act and to all other provisions and exceptions of said law.

18.2.1 Lessee shall not require or permit any laborer or mechanic in any workweek in which he is employed on any work under this Lease to work in excess of 40 hours in such work week on work subject to the provisions of the Contract Work Hours Standards Act unless such laborer or mechanic receives compensation at a rate not less than one and one-half times his basic rate of pay for all such hours worked in excess of 40 hours in such work week. The "basic rate of pay", as used in this clause, shall be the amount paid per hour, exclusive of Lessee's contribution or cost for fringe benefits and any cash payment made in lieu of providing fringe benefits or the basic hourly rate contained in the wage determination, whichever is greater.

18.2.2 In the event of any violation of the provision of Paragraph 18.2.1, Lessee shall be liable to any affected employee for any amounts due, and to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic employed in violation of the provisions of paragraph 18.2.1 in the sum of ten $10.00 for each calendar day on which such employee was required or permitted to be employed on such work in excess of the standard workday of 8 hours or in excess of the standard work week of 40 hours without payment of the overtime wages required by Paragraph 18.2.1.

18.3 In connection with the performance of work required by this Lease, Lessee agrees not to employ any person undergoing a sentence of imprisonment at hard labor.

19. SUBMISSION OF NOTICES:

Notices shall be sufficient under this Lease if made in writing and to the addressees as

Lessee: City and County of San Francisco
Ms. Annemarie Conroy
San Francisco Mayor's Office
Treasure Island Project
410 Palm Ave. Bldg. 1, Room 237
Treasure Island
San Francisco, CA 94130

Government: Commanding Officer (Attn: Code 624)
Engineering Field Activity - West
Naval Facilities Engineering Command
900 Commodore Drive
San Bruno, CA 94066-5000

The individuals so designated above shall be representatives of the parties and the points of contact during the period of this Lease.

20. AUDIT:

This Lease shall be subject to audit by any and all cognizant Government agencies. Lessee shall make available to such agencies for use in connection with such audits all records which it maintains with respect to this Lease and copies of all reports required to be filed hereunder.

21. AMENDMENTS:

This Lease shall not be amended or modified unless in writing and signed by both parties. No oral statements or representation made by, for or on behalf of either party shall be a part of this Lease. Should a conflict arise between the provisions of this Lease and any exhibit hereto, or

any other agreement between Government and Lessee, the provisions of this Lease shall take precedence.

22. **FAILURE TO INSIST ON COMPLIANCE:**

The failure of Government or Lessee to insist, in any one or more instances, upon performance of any of the terms, covenants or conditions of this Lease shall not be construed as a waiver or relinquishment of Government's or Lessee's right to the future performance of any such terms, covenants or conditions and Government's and Lessee's respective obligations in respect of such future performance shall continue in full force and effect.

23. **DISPUTES:**

23.1 This lease is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. 601-613) (the Act).

23.2 Except as provided in the Act, all disputes arising under or relating to this Lease shall be resolved under this clause.

23.3 "Claim", as used in this clause, means a written demand or written assertion by Lessee or Government seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of lease terms, or other relief arising under or relating to this Lease. A claim arising under this Lease, unlike a claim relating to this Lease, is a claim that can be resolved under a lease clause that provides for the relief sought by the claimant. However, a written demand or written assertion by Lessee seeking the payment of money exceeding $100,000 is not a claim under the Act until certified as required by subparagraph 23.4 below. A voucher, invoice or other routine request for payment that is not in dispute when submitted, is not a claim under the Act. The submission may be converted to a claim under the Act, by complying with the submission and certification requirements of this clause, if it is disputed either as to liability or amount or is not acted upon in a reasonable time.

23.4 A claim by Lessee shall be made in writing and submitted within six (6) years after accrual of the claim, to the Engineering Field Activity West (ATTN.: Code 624), Naval Facilities Engineering Command, 900 Commodore Drive, San Bruno, CA 94066-5006 herein called "Command", for a written decision. A claim by the Government against Lessee shall be subject to a written decision by the Command.

23.4.1 Lessee shall provide the certification specified in subparagraph 23.4.3 of this clause when submitting any claim:

(a) Exceeding $100,000; or
(b) Regardless of the amount claimed, when using:
(1)Arbitration conducted pursuant to 5 U.S.C. 575-580; or

(2) Any other alternative means of dispute resolution (ADR) technique that the agency elects to use in accordance with the Administrative Dispute Resolution Act (ADRA).

23.4.2 The certification requirement does not apply to issues in controversy that have not been submitted as all or part of a claim.

23.4.3 The certification shall state as follows: "I certify that the claim is made in good faith; that the supporting data are accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the contract adjustment for which Lessee believes Government is liable; and that I am duly authorized to certify the claim on behalf of Lessee."

23.4.4 The certification may be executed by any person duly authorized to bind Lessee with respect to the claim.

23.5 For Lessee claims of $100,000 or less, the Command, must, if requested in writing by Lessee, render a decision within 60 calendar days of the request. For Lessee-certified claims over $100,000, the Command, must, within 60 calendar days, decide the claim or notify Lessee of the date by which the decision will be made.

23.6 The Command's, decision shall be final unless Lessee appeals or files a suit as provided in the Act.

23.7 At the time a claim by the Lessee is submitted to he Command or a claim by Government is presented to Lessee, the parties, by mutual consent, may agree to use ADR. When using arbitration conducted pursuant to 5 U.S.C. 575-580, or when using any other ADR technique that the agency elects to employ in accordance with the ADRA, any claim, regardless of amount, shall be accompanied by the certification described in Paragraph 23.4.3 of this clause, and executed in accordance with Paragraph 23.4.4 of this clause.

23.8 Government shall pay interest on the amount found due and unpaid by Government from (1) the date the Command receives the claim (properly certified if required), or (2) the date payment otherwise would be due, if that date is later, until the date of payment. With regard to claims having defective certifications, as defined in FAR 33.201, interest shall be paid from the date that the Command initially receives the claim. Simple interest on claims shall be paid at the rate, fixed by the Secretary of the Treasury, as provided in the Act, which is applicable to the period during which the Command receives the claim and then at the rate applicable for each 6-month period as fixed by the Treasury Secretary during the pendency of the claim.

23.9 Lessee shall proceed diligently with the performance of Lease, pending final resolution of any request for relief, claim, appeal or action arising under Lease, and comply with any decision of the Command.

24. COVENANT AGAINST CONTINGENT FEES:

Lessee warrants that no person or agency has been employed or retained to solicit or secure this Lease upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established commercial agencies maintained by Lessee for the purpose of securing business. For breach or violation of this warranty, Government shall have the right to annul this Lease without liability or in its discretion, to require Lessee to pay the full amount of such commission, percentage, brokerage or contingent fee.

25. OFFICIALS NOT TO BENEFIT:

No member of or delegate to Congress or Resident Commissioner, shall be admitted to any share or part of this Lease or to any benefit to arise therefrom, but this provision shall not be construed to extend to this Lease if made with a corporation for its general benefit.

26. LIENS:

Lessee shall promptly discharge or cause to be discharged any valid lien, right in rem, claim or demand of any kind, except one in favor of Government, which at any time may arise or exist with respect to the Leased Property or materials or equipment furnished therefor, or any part thereof, and if the same shall not be promptly discharged by Lessee, or should Lessee or sublessee be declared bankrupt or make an assignment on behalf of creditors, or should the leasehold estate be taken by execution, Government reserves the right to take immediate possession without any liability to Lessee or any sublessee. Lessee and any sublessee shall be responsible for any costs incurred by Government in securing clear title to its property.

27. TAXES:

Lessee shall pay or cause to be paid to the proper authority, when and as the same become due and payable, all taxes, assessments and similar charges which, at any time during the term of this Lease, may be imposed upon Lessee with respect to its operations of the Leased Premises. Title 10 United States Code, Section 2667(e) contains the consent of Congress to the Taxation of Lessee's interest in Leased Premises, whether or not the Leased Premises are in an area of exclusive federal jurisdiction. Should Congress consent to taxation of Government's interest in the property, this Lease will be renegotiated.

28 SUBJECT TO EXISTING AND FUTURE EASEMENTS AND RIGHTS- OF-WAY:

This Lease is subject to all outstanding easements and rights-of-way for location of any type of facility over, across, in and upon Leased Premises or any portion thereof and to the right of Government to grant such additional easements and rights-of-way over, across, in and upon Leased Premises as it shall determine to be in the public interest; provided that any such

additional easement or right-of-way shall be conditioned on the assumption by the grantee thereof of liability to Lessee for such damages as Lessee shall suffer for property destroyed or property rendered unusable on account of the grantee's exercise of its rights thereunder. There is hereby reserved to the holders of such easements and rights-of-way as are presently outstanding or which may hereafter be granted, to any workers officially engaged in the construction, installation, maintenance, operation, repair or replacement of facilities located thereon, and to any Federal, state or local official engaged in the official inspection thereof, such reasonable rights of ingress and egress over Leased Premises as shall be necessary for the performance of their duties with regard to such facilities.

29. INGRESS-EGRESS AND PARKING:

Lessee and any sublessees will be granted reasonable access to Leased Premises under this Lease. Such access will be coordinated with Government. As a condition, Lessee and any sublessees agree to adhere to all base rules and regulations regarding installation security, ingress, egress, safety and sanitation as may be prescribed from time to time by Government. Parking will be coordinated with Government.

30. ADMINISTRATION:

Except as otherwise provided for under this Lease, Government shall, under the direction of the Command, have complete charge of the administration of this Lease, and shall exercise full supervision and general direction thereof insofar as the interests of Government are affected.

31. SURRENDER:

Upon the expiration of this Lease or its earlier termination in accordance with the terms of this Lease, Lessee shall quietly and peacefully remove itself and its property from Leased Premises and surrender the possession thereof to Government. Government may, in its discretion, declare any property which has not been removed from Leased Premises upon expiration or termination provided for above, as abandoned property upon giving to Lessee an additional 30 calendar days notice after the termination date.

32 INTEREST:

32.1 Notwithstanding any other provision of this Lease, unless paid within thirty (30) calendar days from the due date, all amounts that become payable by Lessee to Government under this Lease (net any applicable tax credit under the Internal Revenue Code) shall bear interest from the date due. The rate of interest will be the Current Value of Funds rate published by the Secretary of Treasury pursuant to 31 U.S.C. 3717 (Debt Collection Act of 1982).

32.1.1 Amounts shall be, subject to applicable cure periods, due upon the earliest of:

32.1.1(a) the date fixed pursuant to this Lease,

32.1.1(b) the date of the first written demand for payment, consistent with this Lease, including demand consequent upon default termination,

32.1.1(c) the date of transmittal by Government to Lessee of a proposed supplemental agreement to confirm completed negotiations fixing the amount,

32.1.1(d) if this Lease provides for revision of prices, the date of written notice to Lessee stating the amount of refund payable in connection with a pricing proposal or in connection with a negotiated pricing agreement not confirmed by Lease supplement.

33. **AVAILABILITY OF FUNDS:**

33.1 The Government's obligations under this Lease are subject to the availability of funds appropriated for such purposes. Nothing in this Lease shall be interpreted to require obligations or payments by Government which are in violation of the Anti-Deficiency Act (31 USC 1341).

34. **SPECIAL PROVISIONS:**

34.1 Notwithstanding anything to the contrary contained in this Lease, there shall be no obligation for the payment or expenditure of money by Lessee under this Lease unless the Controller of the City and County of San Francisco first certifies, pursuant to Section 3.105 of the Charter of the City and County of San Francisco, that there is a valid appropriation from which the expenditure may be made and that unencumbered funds are available from the appropriation to pay the expenditure. Without limiting the foregoing, if in any fiscal year of City after the fiscal year in which the Term of this Lease commences, sufficient funds for the payment of any payments required under this Lease are not appropriated for any reason, then either party may terminate this Lease upon thirty (30) calendar days written notice and Lessee shall quietly and peacefully remove itself and its property from Leased Premises and surrender possession thereof to the Government. Notwithstanding the foregoing, this section 34.1 shall not in any way limit or otherwise impair Lessee's indemnification obligation arising under Sections 13.12 and 16 of this Lease.

34.2 Article 1.5 of the San Francisco Planning Code ("Code") requires the provision of bicycle storage at all properties leased by the City at no cost to the landlord, here the Government, and only if funds are available. In the event public and/or private donations, grants or other funds become available, at any time during this Lease, Lessee shall have the right to request that the Government amend this Lease to include space sufficient for the installation and operation of bicycle storage facilities. In the event of storage locker installation, the storage lockers shall be considered a trade fixture. Government, at no cost to Government, shall reasonably cooperate with City regarding the implementation of this Code.

34.3 The date on which this Lease shall become effective (the "Effective Date") is the date upon which (i) Lessee's Mayor and Board of Supervisors enact a resolution approving this Lease in accordance with all applicable laws and (ii) this Lease is duly executed by the parties hereto.

35. LIST OF EXHIBITS:

The following exhibits are a part of this Lease:

Exhibit A - Leased Premises
Exhibit B - Inventory of Personal Property
Exhibit C - Joint Inspection Report
Exhibit D - EBS and FOSL
Exhibit E - Utility Rates Schedule
Exhibit F - Safety and Health Hazards to be Corrected
Exhibit G - Government's Obligations to Abate Asbestos
Exhibit H - Pre-Approved Hazardous Materials

All correspondence in connection with
this contract should include reference to:
N6247498RP00r99

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth below duly executed this Lease as of the day and year first above written.

WITNESS

THE UNITED STATES OF AMERICA

By: _____
Real Estate Contracting Officer

Date: 9/4/98

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____

Title: ANNEMARIE CONROY
Executive Director
Treasure Island Development Authority Project

Date: 9-3-98

APPROVED AS TO FORM:

CITY ATTORNEY

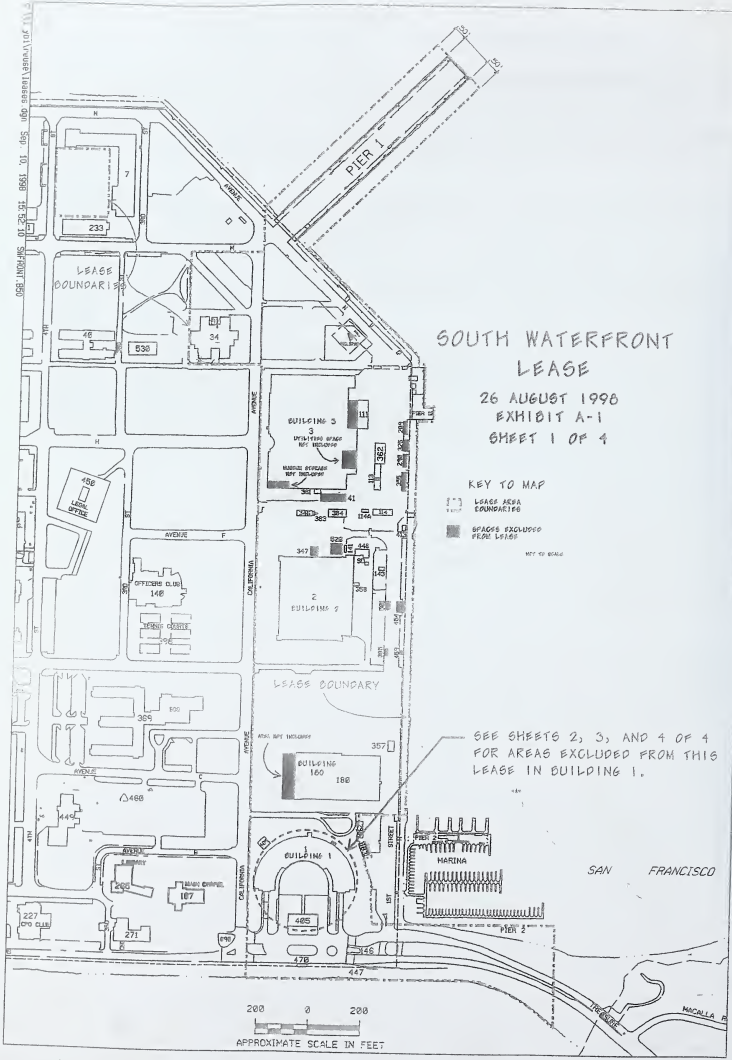

SOUTH WATERFRONT
LEASE
26 AUGUST 1998
EXHIBIT A-1
SHEET 1 OF 4
KEY TO MAP
LEASE AREA BOUNDARIES
SPACES EXCLUDED FROM LEASE
NOT TO SCALE
SEE SHEETS 2, 3, AND 4 OF 4 FOR AREAS EXCLUDED FROM THIS LEASE IN BUILDING 1.
LEASE BOUNDARY
PIER 1
PIER 2
MARINA
BUILDING 1
BUILDING 2
BUILDING 3
BUILDING 160
OFFICERS CLUB
146
CHIEFS CLUB
107
227
CPO CLUB
271
SAN FRANCISCO
MACALLA R
200 0 200
APPROXIMATE SCALE IN FEET

EXHIBIT B

DESCRIPTION OF PREMISES

All that certain real property located in San Francisco County, California, described as follows:

See attached drawings.

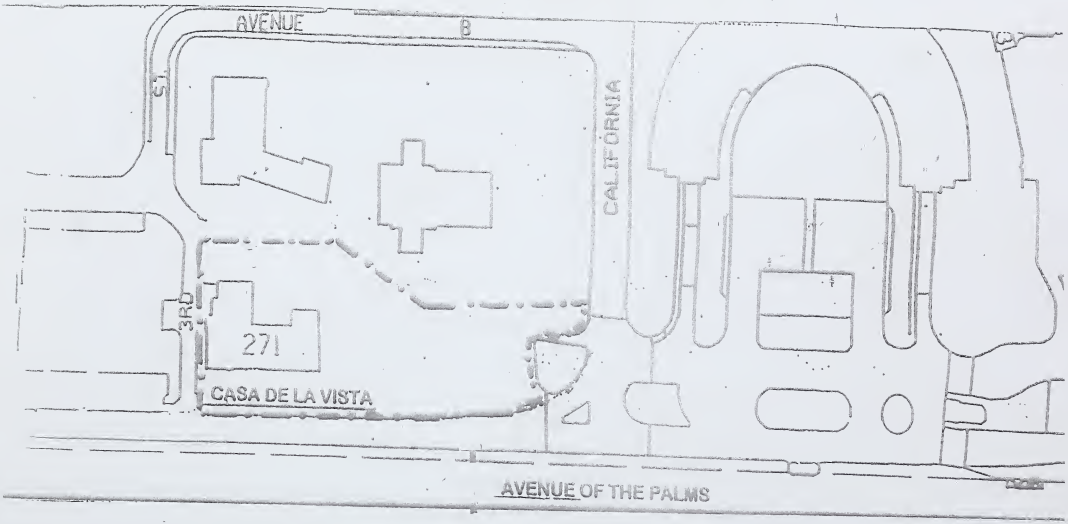
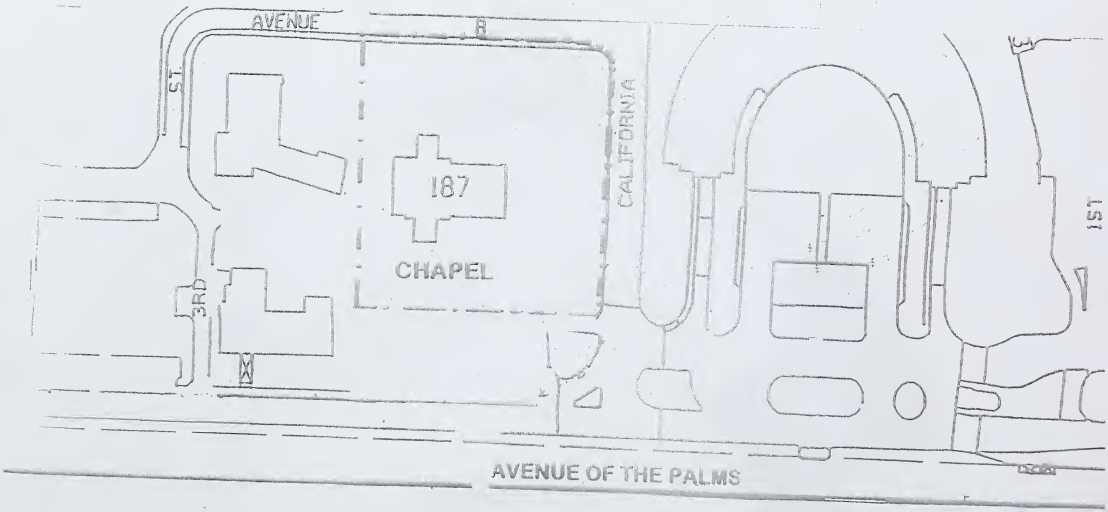


EXHIBIT B

CASA DE LA VISTA
USE PERMIT PREMISES

EXHIBIT B



CHAPEL
USE PERMIT PREMISES

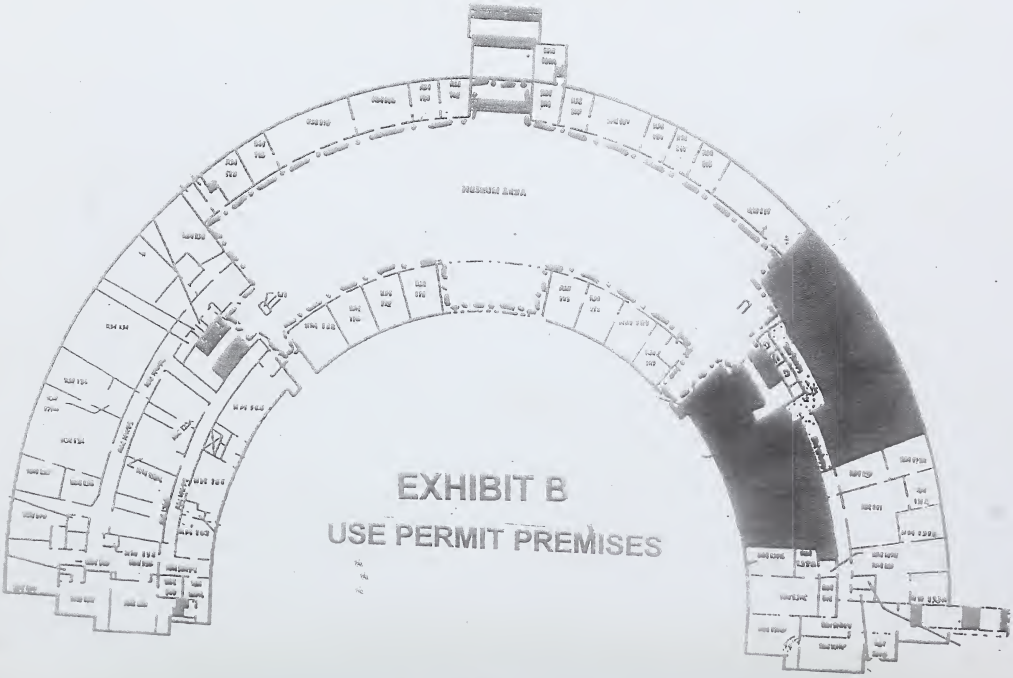
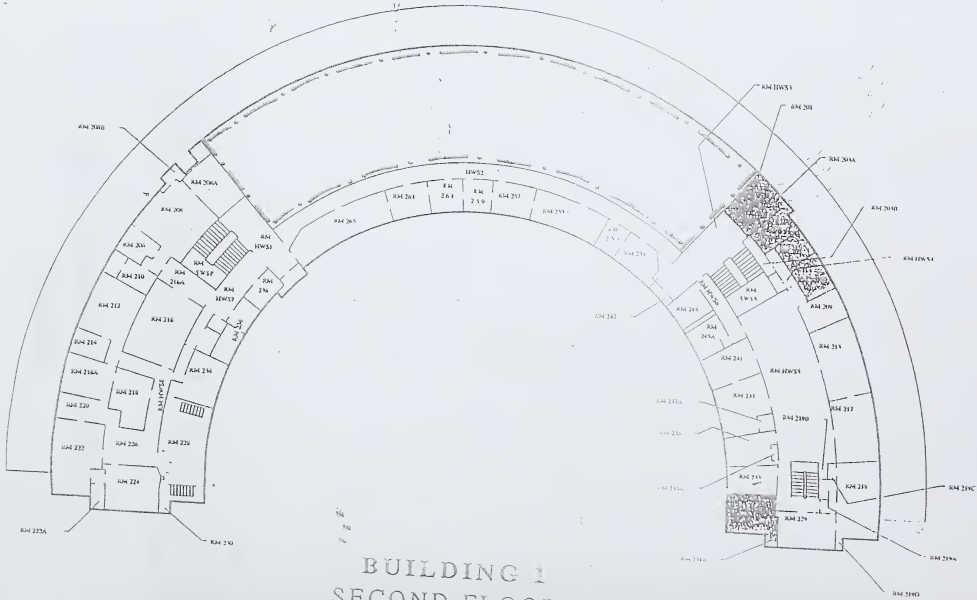


EXHIBIT B

USE PERMIT PREMISES

BUILDING 1
FIRST FLOOR



BUILDING 1
SECOND FLOOR PLAN

LEGEND

AREAS EXCLUDED FROM LICENSE

HALLWAY (CORRIDOR) EXCLUDED FROM LICENSE

EXHIBIT B

Sheet 4 of 4

EXHIBIT C

COVER PAGE OF SEISMIC REPORT

The Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions report, prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco, dated August 1995, can be made available upon request.

TREASURE ISLAND REUSE PLAN

EXISTING CONDITIONS REPORT: VOL. 2

PHYSICAL CHARACTERISTICS, BUILDING AND INFRASTRUCTURE CONDITIONS

AUGUST 1995

PREPARED FOR:
The Office Of Military Base Conversion,
Planning Department, City & County of San Francisco,
and the San Francisco Redevelopment Agency

PREPARED BY:
ROMA Design Group
Cerbatos & Associates Consulting Electrical Engineers
Cervantes Design Associates
Don Todd Associates, Inc.
Manna Consultants, Inc.
Moffatt & Nichol Engineers
Olivia Chen Consultants, Inc.
Takahashi Consulting Engineers
Treadwell & Rollo, Inc.

EXHIBIT D

STRUCTURAL REPORT

The Structural Report, among other matters, notes that during an earthquake of magnitude 7 or greater, the buildings and any other structures or improvements located on or about the Premises may not provide life-safety for occupants in the event of an earthquake.

SOHA

Mayor's Office
City and County of San Francisco

Treasure Island Project
Seismic Evaluation of Building 271
Casa de la Vista Restaurant

Prepared by
SOHA Engineers
550 Kearny Street, Suite 200
San Francisco, CA 94108
(415) 989-9900

June 27, 1997

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EXECUTIVE SUMMARY

This report presents the findings of the seismic evaluation of the Casa de la Vista Restaurant (Building 271) at Treasure Island. The basis for our seismic evaluation and rehabilitation design is the FEMA (Federal Emergency Management Agency) - 178, titled "NEHRP (National Earthquake Hazard Reduction Program) Handbook for the Seismic Evaluation of Existing Buildings," dated June 1992.

Building 271 is a single story wood-framed building located on the northeast portion of Treasure Island, approximately 80 feet from the island perimeter dike. The building is "U" shaped in plan with floor and roof construction supported on isolated interior footings and continuous perimeter footings (reference site plan, sketch SK-1 and building plan, sketch SK-2).

In preparing this report consideration has been given to information contained in a geotechnical report prepared by Treadwell & Rollo, Inc., titled "Geotechnical Report, Treasure Island Reuse Project, Treasure Island, California," dated July 26, 1995. This report outlines the expected behavior of the Island if subjected to a major earthquake located on either the Hayward or San Andreas Fault.

The geotechnical report predicts the probability of soil liquefaction, lateral spreading, and lateral failure of the perimeter dikes. It is predicted that the Island could experience up to two feet of liquefaction induced settlement in localized areas, and/or greater than ten feet of lateral spreading displacement at any location along the Island perimeter dike. The predicted lateral spreading displacements are expected to be characterized by more-or-less uniform cracking across the Island from the perimeter dike toward the center of the Island with the greater displacements occurring within 100 feet of the shoreline. The building could therefore move up to 10 feet laterally and have 24 inches of differential lateral spreading displacements across the building plan as a result of lateral spreading as described above.

There is a smaller probability that the lateral spreading displacements may not be uniform and that cracks greater than 12 inches in width may develop at localized areas. Although it is unlikely to occur, severe lateral soil movement greater than 18 inches or non-uniform local lateral spreading could result in partial building collapse even if the building is seismically strengthened. Since the probability of severe local lateral spreading occurring at any given building site is small, the threat of partial collapse is correspondingly small.

The building was constructed in the 1940's and had a minimal lateral load design. The effects of hazardous geologic site conditions were apparently not considered. The building relies upon a combination of stucco over 1x wood board siding or plaster for resistance to earthquake forces. Since this building was designed, the effects of near field earthquake shaking and the amplification effects of the poor underlying soils have become of greater concern. It is now understood that plaster and stucco shear walls are inappropriate to resist strong earthquake shaking. Strong shaking combined with lateral spreading could cause these walls to crack and degrade and possibly collapse.

Three walls around the perimeter of the courtyard, required for seismic resistance, are either glass window walls not capable of seismic resistance or stucco walls without adequate strength. We recommend that these walls be seismically strengthened to provide a complete seismic load path from roof framing to the foundation level.

To minimize the possibility of collapse or partial collapse it is recommended that two steel braced frames (or moment frames) with foundation grade beams be installed at two courtyard window walls and that one stucco and plaster wall be strengthened with a plywood shear wall. The plaster finishes will have to be removed to install new plywood sheathing over existing studs. Finishes may then be placed over plywood sheathing to restore the wall's original appearance. Hold-down anchors will be required at the ends of the plywood shear wall (reference sketch SK-3).

The objective of the seismic rehabilitation recommended in this report is to strengthen the building to meet FEMA-178 criteria, which provides for a life safety level of performance without collapse. However, there remains the possibility of non-repairable structural damage to the building if it is subjected to a major earthquake. Thus, if the building is rehabilitated, a life safety level of performance can be expected in the event of code design level earthquake and associated ground movement, liquefaction and lateral spreading unless large soil lateral movements (greater than 18 inches) or concentrated lateral spreading as described above should occur. Therefore, this seismic strengthening scheme should reliably provide life-safety performance.

The seismic rehabilitation scheme developed requires installation of two steel braced frames and conversion of one existing wall to a plywood shear wall. **The construction cost as estimated by SOHA Engineers is $117,000.** This estimate includes only structural work and repair of finishes and systems disturbed by the rehabilitation. This cost does not include any extended architectural, electrical or mechanical rehabilitation beyond repair of disturbed finishes, or any allowance for the removal of hazardous materials such as asbestos or lead paint..

Existing utility lines entering the buildings may not be capable of withstanding the ground movements predicted at this site. Consideration should be given to installing emergency shut-off devices on water, gas, and electrical lines entering each building and entering the entire site.

INTRODUCTION

The Casa de la Vista Restaurant (Building 271) has been evaluated for seismic safety in accordance with the FEMA-178 evaluation procedure titled "NEHRP Handbook for the Seismic Evaluation of Existing Buildings," June 1992, (commonly referred to as the NEHRP Handbook).

The NEHRP Handbook deals with seismic life-safety objectives; it does not address other objectives of code compliance, damage control, or building performance better than life safety performance. The Handbook is intended to provide guidance concerning the potential earthquake-related risk to human life posed by a building or building components. A building does not meet the life-safety objective of this Handbook if, in an earthquake, the entire building collapses, portions of the building collapse, components of the building fail and fall, or exit and entry routes are blocked preventing the evacuation and rescue of the occupants. A major portion of the Handbook is dedicated to instructing the evaluating engineer on how to determine if there are any weak links in a structure that could precipitate structural or component failure.

The NEHRP procedures are concerned with identifying potential earthquake related risks to life safety and concentrate on identifying weak links in the existing structural system that might lead to complete or partial collapse or that otherwise could endanger life safety or block exit routes. The document provides evaluation statements for the building systems and individual earthquake resisting elements. The evaluation statements must be answered true or false. False statements must be further evaluated to determine whether demand exceeds capacity and whether corrective measures are needed. All weak links must be corrected in order to create an effective earthquake resisting system that satisfies the life safety criteria.

The evaluation statements for the building are included in sheets A-1 through A-3. Structural calculations are included in sheets B-1 through B-3.

DESCRIPTION OF THE BUILDING

The Casa de la Vista Restaurant (Building 271) is a one story wood framed building designed in 1944 as officers' recreation building. The building occupancy was subsequently changed for use as the Casa de la Vista Restaurant.

The building is "U" shaped, has approximately 7800 square feet of floor space, and has overall dimensions of approximately 140 feet by 86 feet. The building is located along Avenue of Palms across the street from the western seawall, approximately 80 feet from the shoreline, and approximately two blocks north of the entrance gate (see reference sketch SK-2)

The main portion of the building is oriented north-south with two wings forming the "U" shape extending to the east from the main building. An exterior courtyard is circled by the building on the east side and large windows on the west side of the building look out over the San Francisco Bay to downtown San Francisco. The restaurant seating areas include the main portion of the building and the southern wing.

The "U" shaped building has a pitched roof. Roof framing at the northern portion of the building includes rafters and ceiling joists, bearing on interior walls and perimeter walls. Interior walls are supported by floor joist framing. Roof framing at the central and southern portions of the building include purlins and wood trusses spanning the width of the building between exterior walls.

Perimeter framed walls are supported on continuous footings. Interior floor framing is supported by timber girders which are supported by interior isolated footings. Floor joists span between perimeter walls and girders and are located approximately two feet above subgrade and over a crawl space.

The rear portion of the building is formed around an exterior courtyard and garden which faces toward the island interior. The walls along the courtyard are built with large panels of glass offering views from within the restaurant seating areas out into the courtyard.

A site plan and location of the building are included on sheet SK-1 and a building plan is located on sheet SK-2.

AVAILABLE DOCUMENTS

Very few drawings are available for this building. However we have obtained five drawings including: Foundation Plan and Details, #346231; Elevations and Sections, #346233; Structural and Miscl. Details, #346234; Electrical Plan, #346237; and Heating Plan, #346236. These sheets are from a set prepared by Blanchard and Maher, Architects, San Francisco, dated June 23, 1944, prepared for Naval Operating Base Treasure Island, San Francisco, Twelfth Naval District.

A geotechnical report prepared by Treadwell & Rollo, Inc., titled "Geotechnical Report, Treasure Island Reuse Project, Treasure Island, California," dated July 26, 1995, outlines the expected behavior of the island if subjected to major earthquake shaking. This report predicts the possibility of severe soil liquefaction, lateral spreading, and lateral failure of the island perimeter dike.

Three existing drawings have been reduced and included following sketch SK-3.

SITE VISIT

We visited the site on Friday, May 30, 1997 and Tuesday, June 10, 1997. The building was not occupied and was without power. We walked around the outside of the building and inside the building.

The building seemed to be in reasonably good condition. Stucco walls had minor cracking at windows and some exterior walls had holes and damage to the stucco.

DESCRIPTION OF GEOLOGIC HAZARDS

The Geotechnical Report for Treasure Island Reuse Project prepared by Treadwell & Rollo, Inc. predicts the probability of severe soil liquefaction, lateral spreading, and lateral failure of the perimeter dikes. It is predicted that the Island could experience up to two feet of liquefaction induced settlement in many localized areas, and/or greater than ten feet of lateral spreading displacement along the Island perimeter dike.

The soil liquefaction phenomena may cause settlement of up to two feet over small localized areas. In phone conversations with Treadwell & Rollo, it was determined that, for the purposes of evaluating the effects of soil liquefaction, 15 foot diameter circular areas of localized loss of bearing support should be considered. Total settlements including differential settlements could be on the order of two feet across a building.

The predicted lateral spreading displacement is expected to be more or less uniform from the perimeter dike to the center of the Island, with a greater amount of cracking occurring within 100 feet from the shoreline. Building 271 is located 80 feet from the shoreline. The Treasure Island dike could fail at a location close to this building and cause lateral soil movement of up to 10 feet. Lateral spreading at the site could cause approximately 10 feet lateral movement of the building and there could be as much as 24 inches of differential lateral displacement across the building plan as a result of lateral spreading. It is estimated that this type of uniform lateral spreading could cause the building to pull apart or separate and/or fall off its footings. If the ground movement is severe it could cause partial or total building collapse.

There is a smaller possibility that the lateral spreading displacements may not be uniform and that cracks greater than 12 inches in width may develop at localized areas. Although it is unlikely to occur, non-uniform local lateral spreading could result in partial building collapse even if the building has been seismically strengthened. Since the probability that severe local lateral spreading could occur at any building site is small, the threat of partial collapse would be correspondingly small.

RESULTS OF THE SEISMIC EVALUATION

The building, designed in 1944, was apparently not designed to withstand major earthquake shaking. It is vulnerable to seismic damage because of a lack of properly located shear walls including the glass walls at the perimeter of the courtyard (see sketch SK-2), the poor foundation soil, the relatively small interior isolated footings, the narrow perimeter wall footings, and the lack of grade beam ties and connections between different portions of the building foundation system. Interior partition walls which could have been used for shear walls to provide resistance to earthquake shaking do not frame continuously above the ceiling level into the roof sheathing and are, therefore, ineffective.

The resistance to earthquake forces, the building relies upon a combination of stucco over 1x diagonal board siding (at exterior walls), and plaster over wood lath interior shear walls. Since

this building was designed, the effects of strong earthquake ground motion and the amplification effects of the poor underlying soils have become of greater concern. Based on observations of the performance of plaster and stucco shear walls in the Northridge Earthquake and other recent seismic events, it is now generally accepted that they are inappropriate to resist strong earthquake shaking. Strong shaking combined with lateral spreading could cause these walls to crack, degrade and possibly collapse.

A large portion of the building interior is supported on isolated footings without continuous ties between them. These isolated footings have little resistance to rotation or settling due to soil liquefaction and/or sink holes that may result from strong earthquake shaking. Portions of roof are supported by ceiling joists which are supported by interior walls, floor joists and interior isolated footings. If these footings were to experience the damage described above, portions of the roof and interior walls could loose support and suffer substantial deformation.

Based on our FEMA 178 analysis, the demand-to-capacity ratios of several shear walls are at acceptable levels, with the exception of the three shear wall lines located at the courtyard perimeter walls. Because of the inadequate shear resistance along the courtyard perimeter walls, the building would not have adequate seismic shear resistance to meet FEMA 178 standards even if it were located on good soil.

Existing utility lines entering the buildings may not be capable of withstanding the ground movements being predicted at this site. Consideration should be given to installing emergency shut-off devices on water, gas, and electrical lines entering each building and entering the entire site.

RECOMMENDED SEISMIC STRENGTHENING

To minimize the possibility of collapse or partial collapse, it is recommended that three wall lines be strengthened to resist seismic loading using steel frames (either braced frames or moment frames) at two courtyard window wall lines and by the removal of finishes and the installation of plywood sheathing over existing studs at the third wall line. Finishes to match existing may be replaced over the new plywood shear walls. The plywood shear wall will require hold-down anchors at each end. We also recommend the construction of reinforced concrete grade beams below the new steel frames.

Our recommendations for seismic strengthening are shown in sketches SK-3.

ESTIMATED CONSTRUCTION COSTS

The construction cost to rehabilitate the building is estimated by SOHA Engineers at approximately $15.00 per square foot or $117,000. This estimate does not include the cost to remove asbestos, lead paint or other hazardous materials which may be present at this site.

CONCLUSIONS

The geotechnical consultant has predicted that Treasure Island may experience severe soil liquefaction and lateral spreading with as much as 2 feet of liquefaction induced settlement and, perhaps, more than 10 feet of lateral movement at the perimeter dike, if subjected to major earthquake shaking.

To anticipate the effects of predicted settlement and lateral spreading, the building has been evaluated to account for a possible loss of bearing support under a 15 foot diameter circular area, subjected to 2 feet of settlement, and for lateral spreading forces on the foundation system equivalent to a fluid pressure of 80 pounds per cubic foot.

The isolated footing and timber beam foundation system is not an effective system for use at a "poor" soil site. If subjected to intense soil movements, the isolated interior footings could be displaced and lead to floor and roof deformations and extensive building damage. We do not recommend remedial work to connect the isolated interior footings with the continuous perimeter footings, as it would be cost prohibitive thus requiring a slab-on-grade to be placed below the floor framing over the entire building footprint connecting all interior footings.

Strong earthquake shaking could cause stucco and plaster shear walls to crack and degrade resulting in severe damage. The walls surrounding the courtyard do not have adequate strength to resist strong earthquake shaking. Partial collapse of these walls could result. To minimize the possibility of collapse or partial collapse it is recommended that the courtyard walls be strengthened with steel braced frames or plywood shear walls. Plywood shear walls may be installed over existing studs and finishes may be replaced over the new plywood.

The objective of the seismic rehabilitation recommended in this report is to strengthen the building to meet FEMA-178 criteria, which provides for a life safety level of performance without collapse when the building is subjected to earthquake shaking equivalent to a code level earthquake. However, there remains the possibility of non-repairable structural damage. If the recommendations of this report are followed, the building is expected to resist the effects of ground shaking, liquefaction and lateral spreading of supporting soils and meet the life safety standards of FEMA-178 unless severe lateral soil movement or concentrated lateral spreading should occur.

If the site soil were to move laterally more than 18 inches or if concentrated lateral spreading cracks greater than 8 inches wide were to cross the building footprint, the resulting forces could cause severe damage, and/or partial collapse even if the building is strengthened in accordance with FEMA-178 provisions.

Existing utility lines entering the buildings may not be capable of withstanding the ground movements predicted at this site. Consideration should be given to installing emergency shut-off devices on water, gas, and electrical lines entering each building and entering the entire site.

Seismic Evaluation
of
Treasure Island Building 1

Prepared For:

San Francisco International Airport
Bureau of Design and Construction
P.O. Box 8097
San Francisco, CA 94128

Prepared By:

SOHA Engineers
550 Kearny Street, Suite 200
San Francisco, CA 94108
(415) 989-9900

February 1998

SOHA
ENGINEERS

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EXECUTIVE SUMMARY

This report presents the results of our seismic evaluation of Building 1 (*Air Terminal Building*) located at Treasure Island, San Francisco. The reference document on which our review and recommendations are based is the FEMA-178: *NEHRP*[1] *Handbook for the Seismic Evaluation of Existing Buildings*, dated June 1992, published by the Federal Emergency Management Agency (FEMA).

Built during the 1937-38 period, Building 1 is semi-circular in plan and is comprised of a 4-story Waiting Room portion flanked by the 3-story North and South Wings at each end. The topmost story over each of these substructures only partially covers their main roofs. Located along the back side of the building is a one-story Promenade structure and, in front of it, a below grade parking garage. There is a full basement under all portions of the building.

The main portion of the Waiting Room is a high-bay structure, three stories in height. Except for a narrow balcony at the second floor and small mezzanines at the third floor, there are no intermediate floors in this portion of Building 1. A Control Room is located on the roof of the partial fourth story.

The North and South Wings are identical to each other in terms of size, layout and type of construction. Each structure consists of two stories that cover its entire footprint and a partial third story. The main roof of the North Wing has a large opening within the outline of the partial third story and is open to the dining room area on the second floor.

The construction throughout the building is similar. The roofs and elevated floors consist of concrete slabs over concrete beams/girders supported on concrete columns. Except for the stair walls, there are few other structural walls inside the building. The exterior walls and those at the interfaces between various substructures are typically reinforced concrete walls. Several of these walls have been terminated at the second floor level with the columns below providing the vertical load-carrying capacity for the first and basement levels. The basement

[1] National Earthquake Hazard Reduction Program

floor consists of a slab-on-grade and the building foundations consist of pile caps and piles under all columns and walls.

As part of our seismic evaluation of Building 1, we have considered the implications of the information contained in a geotechnical report prepared by Treadwell & Rollo, Inc. This document -- *Geotechnical Report, Treasure Island Reuse Project, Treasure Island, California,* dated July 26, 1995 -- discusses the expected behavior of Treasure Island if subjected to a major earthquake originating from either the Hayward Fault or the San Andreas Fault.

Based on the subsurface conditions at Treasure Island, the geotechnical report predicts that a major earthquake would very likely cause severe soil liquefaction accompanied by large ground settlement, lateral spreading, and lateral failure of the island perimeter dike. The island could experience up to 2-ft of liquefaction-induced ground settlement in localized areas, and/or greater than 10-ft of lateral spreading displacement at locations within 500-ft of the perimeter dike. The predicted lateral spreading displacements are expected to be characterized by more-or-less uniformly decreasing crack sizes from the island shoreline toward its center.

The center of the circular arcs making up the semi-circular footprint of Building 1 is located 360-ft from the south and 331-ft from the west shoreline. The building footprint thus lies within the 166-ft to 554-ft range from the south shoreline and within the 304-ft to 525-ft range from the west shoreline. Since Building 1 is located less than 500-ft from the island perimeter, lateral spreading exceeding 10-ft poses a significant potential threat and could cause substantial damage to the building. However, the fact that Building 1 is supported on deep pile foundations and the pile caps are connected to one another by the monolithic basement slab should help mitigate this potential threat.

Our evaluation of Building 1 indicates that **it currently does not meet the load resistance requirements of FEMA-178 and hence its life-safety requirements.** Because several critical shear walls have been omitted below the second floor level, the building exhibits a soft first story and is subject to severe rotational forces. This is likely to cause brittle failure of the columns below the terminated shear walls, which could lead to a sudden collapse of the building.

We recommend adding new shear walls and strengthening existing ones at selected locations to increase the building's lateral load-resisting capacity to at

least the level prescribed by FEMA-178. Our suggested retrofit is schematically depicted in sketches SK-10 thru SK-14. The estimated construction cost to implement our proposed seismic strengthening scheme is **$1.4 million**. Because the construction work can be done in several phases, only a portion of the building would have to be closed to general access at any given time. Most of the building can thus remain operational during construction.

The objective of FEMA-178 seismic provisions is to provide for a life-safety level of performance without collapse. It is important to note that even if the building is retrofitted to meet FEMA-178 life-safety requirements, there still remains the possibility of non-repairable structural damage if the building is subjected to higher levels of ground shaking predicted by the referenced geotechnical report, or if the maximum predicted lateral spreading displacements should occur at the building site.

Existing utility lines entering Building 1 may not be capable of withstanding the earthquake-related ground movements predicted at Treasure Island. Consideration should be given to installing emergency shut-off devices on water, gas, and electrical lines entering Building 1 and those entering the entire site.

INTRODUCTION

This report discusses the findings of our seismic life-safety assessment of Building 1 (*Air Terminal Building*) located at Treasure Island, San Francisco, California. The investigation was conducted in accordance with the procedures outlined in "*NEHRP Handbook for the Seismic Evaluation of Existing Buildings*," dated June 1992 -- commonly referred to as the FEMA-178.

The provisions in FEMA-178 were specifically developed for *existing* buildings with the primary intent of achieving life-safety objectives. They do not address other objectives such as code compliance, damage control, or building performance higher than the life-safety level. The document is intended to provide guidance concerning the potential earthquake-related risk to human life posed by a building or its components. A building does not meet the life-safety objective of FEMA-178 if, during an earthquake, the entire building collapses, portions of the building collapse, components of the building fail and fall, or exit and entry routes are blocked, preventing the safe evacuation and rescue of the occupants. A major portion of FEMA-178 is dedicated to instructing the evaluating engineer on how to determine weak links in a structure, if any, which could potentially lead to building or component failure.

The FEMA-178 procedures deal with identifying potential earthquake related risks to life-safety and concentrate on identifying weak links in the existing structural system that might lead to complete or partial collapse or that otherwise could endanger life-safety or block exit routes. The document provides evaluation statements for different types of building systems and individual earthquake resisting elements. The evaluation statements must be answered true or false. False statements must be further evaluated to determine whether demand imposed by prescribed seismic loads exceeds capacity and whether corrective measures are needed. All weak links in the building's lateral load-resisting system must be corrected to create an effective earthquake resisting system that satisfies the life-safety criteria.

Completed evaluation statements for Building 1 are included as Appendix A in this report. Structural calculations that assess the seismic resistance capacity of the structure are included as Appendix B.

DESCRIPTION OF BUILDING

Building 1 is located in the southwest corner of Treasure Island, immediately after the main entrance to the island. Constructed in the late 1930s, the building is semi-circular in plan and consists of a 4-story Waiting Room portion flanked by nearly identical, 3-story North and South Wings (Photo 1). The building has a full basement that covers its entire footprint. In addition, the basement level has a parking garage extending from the building's front (west) wall to a boundary line located 36-ft west of the center of the circular arcs that form the building's footprint. Located along the entire rear circumference (east wall) of the building is a one-story Promenade structure, which also continues down to the basement level (Photo 7).

Location of Building 1 relative to other facilities on Treasure Island is shown on sheet SK-1; foundation, floor and roof plans for the building are depicted on sheets SK-2 and SK-7; exterior elevations are shown on sheet SK-8; and typical building cross sections are depicted on sheet SK-9. These details have been reproduced from the building as-built drawings. Photos 1 through 9 show details of the building's exterior elevations while Photos 10 through 12 provide interior views of the Waiting Room.

An overview of the specific features of the various substructures that collectively comprise Building 1 along with descriptions of their major structural elements is provided in the following paragraphs.

Waiting Room

The Waiting Room -- used most recently as an art museum -- is a 4-story high, reinforced concrete structure sandwiched between the north and south wings (Photo 2). Except for a narrow strip of balcony area (6,300 sf) along the west wall at the second floor level (Photos 11 and 12) and partial mezzanines (2,700 sf) at the south and north ends at the third floor level, the Waiting Room is open to the first floor for the first three stories. The partial fourth story (5,000 sf) is located on the main roof and serves primarily as passage ways to the Control Room located on its roof (Photo 7). The building height above first floor is 50-ft

to the main roof, 60-ft to the fourth story roof, and approx. 80-ft at the tip of Control Room roof.

The Waiting Room's footprint is formed by two circular arcs (107-ft radius at front wall; 178-ft radius at rear wall) and two radial lines which form a 98-degree angle at the center of the circular arcs. The Waiting Room covers slightly over 50 percent of the total building area (excluding the Promenade area) at the first floor level and provides approx. of 34,600 sf of floor space at the first floor and basement levels (17,300 sf at each level). The building facade includes a 10-ft wide concrete-slab canopy supported on reinforced concrete beams cantilevering from the second floor balcony (Photo 2).

Except for the main roof over the high-bay area -- which consists of a 5-inch slab in the fourth floor area and 4-inch slab elsewhere, and is supported on built-up steel girders and concrete beams -- all roofs and elevated floors generally consist of 4-inch reinforced concrete slabs over concrete beams/girders supported on concrete columns.

The north, south and east walls of the Waiting Room are typically 6-inch thick reinforced concrete walls with almost no openings (see Photo 7 for east wall). All of these terminate at the second floor level with concrete columns providing vertical support for the lower two levels. Thickness of the west wall, which is penetrated by many large vertical windows, is 10-inches above the second floor and 14-inches below (Photo 2). The middle portion of this wall is terminated over the basement-level columns; the ends are continuous to the foundation level, however. All walls have reinforcing bars in both directions: 6-inch walls have a single curtain of reinforcement while thicker walls have two curtains.

The basement level consists of a 6-inch reinforced concrete slab-on-grade which is doweled into all concrete columns and walls. The building foundation is comprised of pile caps and piles under all columns and walls. There are no grade beams or ties to connect the pile caps to one another.

The octagonal-shaped (approx. 27-ft square in plan) Control Room on top of the building has a copper roof underlain by 3-inch thick tongue-and-groove wood sheathing. The sheathing is nailed to 5-inch by 10-inch wood purlins, which are bolted to the sloping top members of double-angle steel frames. The frames designed to resist gravity loads primarily by axial action and include a horizontal

steel member at the eave level to resist hoop stresses. The Control Room is approx. 16-ft high and has glass walls along its perimeter (see Photos 7 and 8).

North and South Wings

These structures, located at the north and south ends of the Waiting Room, essentially consist of two stories, but also have a third story that partially covers the main roof (Photos 3 and 4). They are identical in all respects: size, layout and type of construction. The only difference between them is that the main roof over the North Wing is open to the dining room area on the second floor. This opening encompasses most of the area covered by the partial third story.

Each wing accounts for approx. 25 percent of the overall building footprint and provides 8,100 sf of floor space at each level. The partial third floor in the South Wing adds another 3,200 sf of usable floor area. The story height is typically 15-ft for the first two stories and 12-ft for the basement level. The overall building height above first floor is 30-ft at the main roof and 41-ft at the third story roof.

The construction of all structural elements -- including roofs, floors, columns, walls and foundations -- is of the same type as described for similar elements in the Waiting Room. Except for the 10-inch thick stairwell walls in each wing, neither of these structures has interior structural walls -- though there are numerous non-structural partitions at all levels. The exterior walls are typically 12-inches thick. As in the Waiting Room, the rear walls in both wings have been terminated over columns at the second floor level. In addition, the west wall in each wing has a large opening below the first floor level to allow access to the parking garage at the basement level (Photos 5 and 6).

Parking Garage

The Parking Garage, which includes a loading dock area, is located at the basement level in front of the building. The garage roof is at the building first floor level on three sides and flush with grade on the west side. The area over the roof is currently used for parking.

The garage roof consists of a 12-inch thick, two-way, reinforced concrete slab supported on concrete columns bearing directly on pile caps and piles. The columns are placed on a 24-ft by 27-ft grid and have flared tops and column capitals to increase the slab's vertical load resistance capacity. The basement floor -- which is 30-inches lower than the basement level within the building's footprint -- is a 6-inch slab-on-grade reinforced with #4 bars at 12 inches on center in each direction. No grade beams or ties have been provided to interconnect the pile caps.

There are concrete walls on all sides of the parking garage, varying from 8-inches to 13-inches in thickness.

Promenade

This one-story structure is about 20-ft wide and extends along the entire length of the rear wall of the building (Photos 7 thru 9). It provides 22,200 sf of floor space at the first floor and basement levels (11,100 sf at each level). The story height is 15-ft at the first level and 12-ft at the basement level.

In terms of type of construction, the Promenade is similar to the rest of the building. The roof and first floor consist of a 4-inch slab over concrete beams spanning between beams along the building's rear boundary line and a 10-inch thick concrete wall along the outer edge of the Promenade. The Promenade's outer wall continues as a 12-inch thick wall down to the basement level. At the first story, the wall is penetrated almost entirely by window openings.

AVAILABLE DOCUMENTS

The seismic evaluation and findings contained in this report are based on our review of two sets of documents available to us:

1. ***As-built Drawings***

   A complete set of as-built structural drawings and most of the original architectural drawings are available for Building 1 from the records room at

Treasure Island. The drawings we have used in our investigation are listed in Table 1 at the end of this report.

These drawings are dated July 1, 1936 and are part of a set prepared by George W. Kelham, Architect for the Director of Works, San Francisco Bay Exposition. Based on the dates shown on these drawings, construction of the building was apparently completed in the 1937-38 period. Selected portions of the original drawings have been reduced and are included as sketches SK-2 thru SK-9 in this report.

2. *Report on Potential Geologic Hazards at Treasure Island*

In conducting our investigation, we also relied upon the findings of a geotechnical report titled "*Geotechnical Report, Treasure Island Reuse Project, Treasure Island, California*," dated July 26, 1995, prepared Treadwell & Rollo, Inc.,

This report outlines the expected behavior of Treasure Island in the event of a major earthquake and predicts the possibility of severe soil liquefaction, lateral spreading, and lateral failure of the perimeter dikes. If these phenomena were to accompany a major earthquake, they will adversely impact the seismic performance of building structures and utilities on Treasure Island.

SITE VISIT

To verify general conformance of the building's in-place construction to as-built drawings and to observe the physical condition of structural elements, engineers from this office visited the Building 1 site on November 21, 1997 and again on February 9, 1998. Building 1 has numerous non-structural partitions at all floor levels and most areas have suspended ceilings. Our walk-through visits were thus necessarily limited to observing only the readily visible structural elements.

While most interior structural elements were not visible due to architectural finishes, the building's exterior elements appeared to be in good physical condition. No noticeable indication of damage or deterioration such as significant cracks in concrete walls, visible floor slabs, or sidewalks was observed. The concrete walls do have hairline cracks in several localized areas, but they are too

small to have any significant implications from a structural standpoint. Lack of any serious cracking in concrete walls and supported floor slabs suggests that Building 1 has not undergone any significant differential settlement and that the building foundations are generally in good condition.

In the basement level garage area, however, several floor slab panels have undergone varying amounts of differential settlement. While this condition impairs the functionality of the garage floor to some extent, it is not considered serious from a structural standpoint. The garage floor is a slab-on-grade and, even if structurally impaired, is not expected to have any significant adverse effect on structural integrity of the superstructure -- which is supported directly on pile foundations.

Based on our limited field observation, it appears that the in-place construction of Building 1 substantially conforms to the design and configuration depicted on the original as-built drawings referenced earlier. The building does not seem to have undergone any significant structural modifications since it was first built. In addition, the building's readily observable structural elements show no indication of any significant deterioration/damage and, overall, Building 1 appears to be in good physical condition.

DESCRIPTION OF GEOLOGIC HAZARDS

Treasure Island is a man-made land, constructed in 1936-37 using non-engineered fill. According to the geotechnical report by Treadwell & Rollo (cited earlier), ground surface accelerations of about 0.16g were recorded at the island during the 1989 Loma Prieta Earthquake which measured magnitude 7 on the Richter Scale and occurred more than 50 miles south of the site. Treasure Island performed poorly during this earthquake. Ground subsidence, lateral spreading, sand boils and ground ruptures, and damage to buildings, roadways and utilities resulted at many locations on the island.

Given the proximity of Treasure Island to the major Bay Area faults (San Andreas and Hayward), the Treadwell and Rollo report postulates a design-level earthquake that could cause peak ground accelerations on the order of 0.4g at the island. This level of ground shaking, the report predicts, will result in wide-spread soil liquefaction and other associated geologic hazards, including: ground rupture, sand boils, and sudden loss of bearing support; ground subsidence due

to soil densification; and lateral spreading causing possible failure of the perimeter dikes. It is predicted that the island could experience up to 2-ft of liquefaction-induced ground settlement in many localized areas while also undergoing simultaneous lateral spreading displacements of a severe magnitude as shown the table below:

Distance from Island Perimeter	*Predicted Lateral Displacement*
< 500-ft	> 10-ft
500-ft to 1,000-ft	1-ft to 10-ft
> 1,000-ft	< 1-ft

The soil liquefaction phenomena may cause localized areas of the island to settle up to 2-ft. In phone conversations with Treadwell & Rollo, it was determined that a 15-ft diameter circular area of localized loss of bearing support should be considered for purposes of evaluating the effects of soil liquefaction on building foundations. Total ground settlement including the contribution from differential settlement could be on the order of 2-ft across a building plan.

As the table above shows, the predicted lateral spreading displacements are expected to decrease more or less uniformly from the island shoreline toward its center with an average movement of 1-ft occurring for every 100-ft distance. Most of the lateral displacement, however, is predicted to occur within 500-ft of the shoreline – a range within which Building 1 is located. It is estimated that this type of lateral spreading could exert a lateral fluid pressure equal to 80 pounds per cubic foot on foundation elements extending below the ground surface.

The center of the circular arcs making up the semi-circular footprint of Building 1 is located 360-ft from the south and 331-ft from the west shoreline. The building footprint thus lies within the 166-ft to 554-ft range from the south shoreline and within the 304-ft to 525-ft range from the west shoreline. Since Building 1 is

located less than 500-ft from the island perimeter, lateral spreading exceeding 10-ft does pose a significant potential threat and could cause substantial damage to the building. The ground below the building could therefore potentially move more than 10-ft laterally and undergo up to 2-ft of differential settlement across the building's plan.

In view of the relatively large lateral spreading displacements anticipated at the Building 1 site (due to its proximity to the shoreline), the building could potentially suffer significant damage due to the predicted ground failures regardless of how well the building was designed otherwise to resist seismic loads. However, the fact that Building 1 is supported on deep pile foundations tied together by the basement-level slab-on-grade should help mitigate somewhat the threat posed by potentially large ground movements.

RESULTS OF SEISMIC EVALUATION

The designers of Building 1, working without knowledge of the seismic design provisions of present-day building codes, did a reasonably good job in designing the framing layout for the building. Ignoring whether or not the existing member capacities are adequate for resisting lateral forces postulated by today's codes, Building 1 has nearly all the essential elements found in the lateral-load-resisting systems of modern buildings. The following paragraphs describe key elements of the building's lateral-load-resisting system and discuss the findings of our evaluation.

Lateral-Load-Resisting System

Despite its strikingly complex semi-circular footprint, Building 1 actually has a fairly simple lateral-load resisting system. This is due to the fact that the 3-story tall, high-bay Waiting Room -- which has no horizontal diaphragms at second and third floor levels -- is sandwiched between the North and South Wings, which do have complete floors at those levels. Without continuous floor and roof diaphragms to tie all three portions together, the level of seismic interaction among them is low. Consequently, the building is expected to behave as three separate substructures which share the common shear walls between them for lateral resistance.

For all substructures comprising Building 1, the lateral-load-resisting system consists of exterior and interior concrete shear walls with the concrete floor/roof slabs acting as horizontal diaphragms. Due to the high in-plane stiffness of concrete diaphragms, the lateral load distribution to the shear walls within each substructure occurs on a *relative stiffness* basis. Continuous diaphragm chords and collectors are available (provided by concrete beams/girders) to transfer the roof and floor inertial forces to the walls. The shear walls are anchored to the floor/roof slabs and foundations for shear transfer and have additional reinforcing steel along the free vertical edges (due to presence of reinforced concrete columns) to resist the overturning forces.

At the basement floor level in each substructure, the lateral forces are transferred from shear walls to the reinforced concrete floor slab. Acting as a rigid diaphragm, the floor slab distributes the lateral forces to the soil below by friction and by passive pressure against vertical surfaces of pile caps.

Evaluation Procedure

To assess adequacy of Building 1 to resist seismic loads prescribed by FEMA-178, a separate static lateral analysis was performed for each substructure to obtain the demand force levels in major structural elements. These demands were then compared with the respective element capacities to determine whether or not a particular element was adequate.

A demand-capacity ratio of less than 1.0 indicates that the member has adequate capacity to resist the lateral loads prescribed by FEMA-178. If the ratio for a particular member exceeds 1.0, the member must be either strengthened or replaced so that it meets the capacity requirements of the imposed loads.

Findings

Our evaluation indicates that **Building 1 does not currently have the capacity to resist effectively the lateral loads prescribed by FEMA-178.** While the building does have an overall lateral load-resisting system, it is locally deficient in several areas:

- In the Waiting Room, all perimeter shear walls except the west (front) wall are terminated over columns below the second floor level -- creating a soft first story and a severe torsion problem. This situation is likely to lead to a brittle failure of the columns and an immediate collapse of the Waiting Room.

- The shear walls shared by the Waiting Room and the two wings lack the necessary capacity, especially below the second floor level.

- The span-to-depth ratios for roof diaphragm of the long, narrow structure on main roof of the Waiting Room is too large to resist the required shears and chord forces. Also, few shear walls exist at that level to resist lateral loads along the building's radial direction.

- The rear shear walls of both North and South Wings are terminated over columns below the second floor level, creating a soft story and torsion situation similar to that described for the Waiting Room above.

- Main roof of the North Wing is penetrated by a large opening, which jeopardizes the load transfer capacity of the horizontal diaphragm -- especially for loads in the tangential direction.

- The Promenade along rear of the building lacks vertical shear-resisting elements along the tangential direction.

- Due to split level floors and several re-entrant corners, local damage is likely to occur at the interfaces of various substructures and at the ends of North and South Wings.

- At the foundation level, no grade beams or ties have been provided to connect the pile caps to one another.

If Building 1 is subjected to strong earthquake shaking, the pile-supported foundation system should perform adequately as it did during the 1989 Loma Prieta Earthquake when soil liquefaction, settlement and lateral spreading did occur at the site. The slab-on-grade basement floor has the potential to crack severely due to differential settlement and loss of bearing support. As a result, extensive post-earthquake repair may become necessary for the basement floor slab even if the rest of the building performs well.

Our evaluation is based primarily on the information contained in the original as-built drawings. It would be prudent during the retrofit construction to perform a site survey of all existing concrete walls, columns and beams, and replace or repair those that have deteriorated or show signs of any other kind of damage.

Existing utility lines entering the buildings may not be capable of withstanding the earthquake-related ground movements predicted at Treasure Island. Consideration should be given to installing emergency shut-off devices on water, gas, and electrical lines entering Building 1 and those entering the entire site.

RECOMMENDED SEISMIC STRENGTHENING

To minimize the possibility of collapse or partial collapse, it is recommended that seismic resistance capacity of Building 1 be increased, especially below the second floor level where critical shear walls have been terminated over concrete columns. This would require adding new shear walls and strengthening existing ones -- both in order to provide the necessary vertical lateral load-resisting elements and to make the existing roof/floor diaphragms work without extensive modifications to them. Because the shear walls need to be carried down to the basement floor level, considerable foundation work will also be required. The retrofit work could, however, be completed in several construction phases in order to keep most of the building operational during construction.

If not already installed, emergency shut-off devices on water, gas and electrical lines entering the building should be installed.

Our recommendations for seismic strengthening of Building 1 are shown schematically in sketches SK-10 thru SK-14.

CONSTRUCTION COST ESTIMATE

The construction cost to implement the recommended seismic strengthening scheme, as estimated by SOH & Associates, is **$1.4 million**. This estimate does not include any costs for business interruption, relocation of equipment/fixtures within the building, or other possible costs, if any, to remove asbestos, lead or other hazardous materials.

CONCLUSIONS

Our evaluation of Building 1 indicates that it is *significantly deficient* in seismic resistance capacity, especially below the second floor level due to absence of critical shear walls at several locations. As a result, **the existing building does not meet the life-safety requirements of FEMA-178.** It is therefore recommended that the proposed strengthening scheme be implemented to upgrade the building at a minimum to the life-safety provisions of FEMA-178.

The geotechnical report, cited earlier, predicts that if subjected to a major earthquake, Treasure Island may experience severe soil liquefaction and lateral spreading with as much as 2-ft of liquefaction induced settlement and, perhaps, more than 10-ft of lateral movement at locations within 500-ft of the perimeter dikes. This is a serious concern because Building 1 is located within this distance both from the south and west perimeter dikes.

To assess the potential effects of predicted settlement and lateral spreading, the building was evaluated to account for a possible loss of bearing support due to 2-ft of settlement, and for lateral spreading forces on the foundation system equivalent to a fluid pressure of 80 pounds per cubic foot. Ground settlement is not a significant concern because the building is supported on deep pile foundations and is unlikely to lose bearing support. The adverse effect of such settlement, however, seems more relevant to the slab-on-grade basement floor. If the floor slab were to undergo differential settlement, it would likely get damaged extensively due to cracking. Such damage, however, would have no detrimental impact on seismic performance of the building. Although considerable post-earthquake repair may be necessary for the floor, the damage should be easily repairable.

Lateral spreading, on the other hand, will subject the pile foundations to significant additional lateral loads which must be resisted by the shear and bending capacity of the piles. Although all pile-supported buildings on Treasure Island performed well during the 1989 Loma Prieta Earthquake in spite of widespread soil liquefaction and lateral spreading, the future performance of these buildings cannot be assessed reliably. That would depend on the extent of these phenomena and the type and condition of the pile foundations.

The objective of the proposed seismic retrofit scheme in this report is to strengthen Building 1 to meet FEMA-178 criteria, which provide for a life-safety

level of performance without collapse when a structure is subjected to a code-level earthquake. However, there remains the possibility that the building may suffer non-repairable structural damage. If recommendations of this report are implemented, Building 1 can be expected to resist the effects of ground shaking, liquefaction and lateral spreading of supporting soils and meet the life-safety standards of FEMA-178 unless the maximum predicted lateral spreading displacements occur at the building site.

Existing utility lines entering the building may not be capable of withstanding the earthquake-related ground movements predicted at Treasure Island. Consideration should be given to installing emergency shut-off devices on water, gas and electrical lines entering Building 1 in particular and those entering the entire site in general.

EXHIBIT F

DATES RETAINED BY AUTHORITY

See attached schedules for Casa de la Vista, the Chapel, and the Lobby of the Main Administration Building.

In addition to the attached schedules, the Authority retains the use of each facility up to 2 times a month per coordination with the Joint Venture.

EXHIBIT F
DATES RETAINED BY AUTHORITY

CASA DE LA VISTA RESERVED DATES	
Saturday	October 6, 2007
Friday	October 12, 2007
Saturday	October 13, 2007
Sunday	October 14, 2007
Tuesday	October 16, 2007
Saturday	October 20, 2007
Sunday	October 21, 2007
Monday	October 22, 2007
Saturday	October 27, 2007
Sunday	October 28, 2007
Saturday	November 3, 2007
Sunday	November 4, 2007
Wednesday	November 14, 2007
Saturday	November 17, 2007
Wednesday	November 21, 2007
Saturday	December 1, 2007
Friday	December 7, 2007
Saturday	December 8, 2007
Sune	December 9, 2007
Tuesday	December 18, 2007
Friday	December 21, 2007
Saturday	December 22, 2007
Saturday	January 12, 2008
Saturday	January 26, 2008
Saturday	February 2, 2008
Saturday	February 9, 2008
Sunday	February 10, 2008
	2/18/08-3/13/08
Saturday	March 15, 2008
Saturday	March 22, 2008
Saturday	March 29, 2008
Saturday	April 5, 2008
Sunday	April 6, 2008
Saturday	April 12, 2008
Saturday	April 19, 2008
Saturday	April 26, 2008
Saturday	May 3, 2008
Sunday	May 4, 2008
Saturday	May 17, 2008
Sunday	May 18, 2008
Friday	May 23, 2008
Saturday	May 24, 2008
Wednesday	May 28, 2008
Saturday	May 31, 2008
Sunday	June 1, 2008
Saturday	June 7, 2008
Friday	June 13, 2008
Saturday	June 14, 2008
Saturday	June 21, 2008
Saturday	June 28, 2008
Friday	July 4, 2008
Saturday	July 5, 2008
Saturday	July 26, 2008
Sunday	July 27, 2008
Saturday	August 2, 2008
Saturday	August 8, 2008
Saturday	August 9, 2008
Saturday	August 16, 2008
Saturday	August 23, 2008
Saturday	August 30, 2008
Sunday	August 31, 2008
Saturday	September 6, 2008
Saturday	September 13, 2008
Saturday	September 27, 2008
Saturday	October 4, 2008

EXHIBIT F
DATES RETAINED BY AUTHORITY

CHAPEL RESERVED DATES	
Friday	October 5, 2007
Saturday	October 6, 2007
Wednesday	October 10, 2007
Friday	October 12, 2007
Saturday	October 13, 2007
Saturday	October 20, 2007
Sunday	October 21, 2007
Friday	October 26, 2007
Saturday	October 27, 2007
Sunday	October 28, 2007
Friday	November 2, 2007
Saturday	November 3, 2007
Saturday	November 17, 2007
Saturday	December 1, 2007
Sunday	December 2, 2007
Saturday	January 19, 2008
Saturday	February 2, 2008
Friday	March 7, 2008
Saturday	March 8, 2008
Friday	March 14, 2008
Saturday	March 15, 2008
Friday	March 21, 2008
Saturday	March 22, 2008
Friday	March 28, 2008
Saturday	March 29, 2008
Saturday	April 5, 2008
Saturday	April 12, 2008
Saturday	April 19, 2008
Thursday	April 24, 2008
Saturday	April 26, 2008
Saturday	May 10, 2008
Sunday	May 18, 2008
Friday	May 23, 2008
Saturday	June 7, 2008
Friday	June 13, 2008
Saturday	July 5, 2008
Saturday	July 12, 2008
Thursday	July 17, 2008
Sunday	July 19, 2008
Saturday	July 26, 2008
Friday	August 1, 2008
Saturday	August 2, 2008
Friday	August 8, 2008
Saturday	August 9, 2008
Saturday	August 16, 2008
Saturday	August 23, 2008
Saturday	August 30, 2008
Sunday	August 31, 2008
Saturday	September 20, 2008

EXHIBIT F
DATES RETAINED BY AUTHORITY

BUILDING 1	
RESERVED DATES	
Saturday	October 20, 2007
Friday	October 26, 2007
Saturday	October 27, 2007
Saturday	November 17, 2007
Friday	December 14, 2007
Saturday	December 22, 2007
Friday	February 1, 2008
Saturday	February 2, 2008
Sunday	February 3, 2008
Thursday	February 7, 2008
Saturday	March 8, 2008
Saturday	April 5, 2008
Saturday	April 12, 2008
Saturday	April 19, 2008
Saturday	April 26, 2008
Saturday	May 3, 2008
Saturday	May 10, 2008
Saturday	May 17, 2008
Saturday	September 26, 2008

EXHIBIT G

RULES AND REGULATIONS

TREASURE ISLAND DEVELOPMENT AUTHORITY
RULES AND REGULATIONS

1. **CATERING PROVISIONS**: Catering must be provided by a licensed and insured commercial catering company. Alcohol must be served by a licensed and insured company with the required liquor liability insurance coverage.

2. **ACCESS:** Venues are available for rent between the hours of 8AM and 2AM, including all load-in, load-out, set-up, and breakdown. **All events must end no later than 1:00AM**.

Hours specified in the Use Permit are the ONLY hours Applicant, caterer, and/or designated representatives and vendors can be on the grounds of or in the buildings on Treasure Island. An event timeline is required two weeks prior to any event, including set- up and breakdown schedules and a list of vendors that will require access to the facilities.

Rental hours outlined in the Use Permit specify when guests/vendors will be present. Event breakdown and facility access must end at the time designated in the Use Permit. Additional hours are an additional fee and must have prior written approval by the Treasure Island Development Authority. Occupancy fees incurred for use beyond the rental period will be deducted from the venue deposit or billed to Applicant.

3. **SET -UP AND BREAKDOWN:** Applicant is responsible for all set-up and breakdown, and for proper movement and storage of all equipment items. Protection and care are required on marble and tile floors and walls. Carts and dollies with rubber wheels must be used to prevent damage to floors and carpets.

4. **RENTAL DELIVERY AND PICKUP:** All rental delivery and pick up must be same day, within the rental period specified in the Use Permit, unless otherwise arranged with the Special Events Coordinator prior to event. Any rental items left in the facilities outside of the rental period without pre-approval by the Special Events Coordinator will incur an additional charge that will be deducted from the venue deposit or billed to Applicant.

Any equipment (tables, dishes, linens, etc.) approved for next day pick-up must be broken down, stacked, and prepared for pick-up immediately following event. Tableware, glassware, and dishes must be thoroughly rinsed for overnight storage.

Any rental items left in storage is done so at the Applicant's own risk. The Treasure Island Development Authority is NOT RESPONSIBLE for any items left in the facilities.

5: **DANCE FLOOR REQUIREMENT**: Treasure Island does not provide a dance floor, but does require one for all venues if dancing will take place during the event. The dance floor must be provided by a licensed and insured party rental vendor. A copy of such license and insurance is required.

6: **TREASURE ISLAND PROPERTY:** Should Applicant or caterer move any Treasure Island

equipment prior to an event, Applicant is responsible for returning equipment to its original position. Chairs and tables must be returned to the designated storage room. Treasure Island property (chairs, tables, etc.) may not be used outside.

7. **SMOKING:** Smoking is not permitted inside any facility.
8. **ITEMS NOT PERMITTED ON PREMISES:** This list includes, but is not limited to the following: bottled gas in any form, "fog" or "smoke" producing equipment, rice for throwing, confetti or glitter, torches or luminaries, fireworks of any kind, including sparklers and fire crackers, and guns or weapons of any kind.

Applicant shall not use tape, staples, tacks, screws, or nails to affix any materials to Treasure Island equipment, including, but not limited to, walls, doors, tables, chairs, pews, etc.

9. **KITCHEN/PREP ROOM:** No disposal of food items, grease, coffee grounds, etc. in kitchen or prep room sinks is allowed.

10. **GARBAGE:** Applicant and caterer are responsible for removal of all ice and garbage at the conclusion of the event.

11. **DECORATIONS:** All decorations must be removed immediately after event. **The Treasure Island Development Authority is NOT RESPONSIBLE for any items left in the facilities.**

No tape, staples, tacks, screws, or nails may be affixed to any Treasure Island equipment, including, but not limited to, walls, doors, tables, chairs, pews, etc. Rice, confetti, and rose petals create a safety hazard. We ask that you inform your guests that none of these be thrown inside or outside of any facility.

12. **USE OF CANDLES, OPEN FLAME, AND OTHER FIRE PRODUCING/HEATING MECHANISMS:** Applicant and its vendors should not use or bring onto the premises any form of bottled gas. Propane heat lamps require an LPG Permit through the San Francisco Fire Department, as well as a Fire Watch. Candles may be used only with candleholders meeting specifications of the San Francisco Fire Code (ie. candleholders must extend at least 2" above the flame).

13. **SIGNS:** No signs, advertisements, or notices shall be attached to, or placed on, the exterior or interior of the buildings or elsewhere on the Property, without prior written approval of the Treasure Island Development Authority. Such approved signs must be removed at the termination of the designated rental period, or at the request of the Treasure Island Development Authority.

14. **BARBECUES:** Personal barbecues may be brought into the picnic areas so long as they have legs or stands and are not placed directly on the grass. Thoroughly quench the fire after using the barbecues. Live coals must not be put on grass or into trash receptacles. Applicant must remove ash, coals, and other barbecue debris.

15. **PORTABLE RESTROOMS:** Events in outdoor areas and hangars must provide portable restrooms at the ratio of one (1) restroom for each 200 persons in attendance, one in eight of which must meet ADA specifications.

16. **TENTS:** All tents must be certified to withstand 70 mph winds and installed according to manufacturers instructions. Applicant must obtain a tent permit through the San Francisco Fire Department for any tent over 200 square feet. Applicant must also obtain an Excavation Permit from the Public Utilities Commission. All tents and heating devices must comply with fire and life safety regulations and must be inspected and approved by the San Francisco Fire Department Inspector. Any holes created by tent stakes must be filled immediately after breakdown. The Premises must be swept thoroughly of all tent debris (screws, nails, rope, zip-ties, etc.) after tent breakdown.

17. **GUEST LISTS:** Substantial variation in attendance numbers for any event may require additional facility charges. A final guest count is due 48 hours before the event. In some instances, a guest list may be required for guest access to an event.

18. **PAYMENT:** Payment in full is required by check thirty (30) days prior to the event. Checks should be made payable to the Treasure Island Development Authority.

19. **INSURANCE:** Individuals hosting weddings, domestic ceremonies, and private events are required to purchase liability insurance coverage which will satisfy the insurance requirements set forth in the Use Permit. Reasonably priced "per event" liability insurance from Scottsdale Insurance Company, may be secured through the Treasure Island Development Authority. See Event Venue Rate Schedule for prices.

Commercial General Liability Insurance with limits not less than $1,000,000 is required. A certificate of General Liability Insurance is required thirty (30) days before the event and must cover the entire time period that Applicant will be using Premises, including set-up, breakdown, and rehearsal. *Treasure Island Development Authority, City and County of San Francisco, United States of America, acting by and through the Department of the Navy, and their officers, directors, employees and agents*, must be named as additional insureds. **An endorsement is required.**

20. **RESERVATION DEPOSIT REFUND:** Breakdown of all facilities at Treasure Island must be completed in accordance with these rules and regulations. Venue deposits will be withheld if: Applicant does not complete breakdown, garbage and decorations are not removed from Premises, event access hours exceed those specified in Use Permit, damage occurs to facilities or equipment, and/or additional monies are required for staff fees.

EXHIBIT H

WORKFORCE HIRING PLAN

See attached.

Casa/Build1

HIRING PROJECTION

Work Type	Job Description	Total (est) Labor Force	Homeless/Economically Disadvantaged Labor Force TIHDI Labor Force Hiring (est)			
			No.	% of Total	Est Hrs	Est TIHDI Hrs
Stewarding		4	1	100%	8320	8320
Prep		4	1	75%	8320	6240
Houseman (Set-up)		4	4	100%	8320	8320
Chef	Prof.Staff	1	0	0%		0
Sous Chef	Prof.Staff	1	0	0%		0
Event Chef	Prof.Staff	1	0	0%		0
Event Staff		16	5	45%	16640	7488
Janitorial		1	1	100%	2080	2080
Recycling		1	1	100%	2080	2080
TOTAL		33	13	75%	45760	34528

Prepared by:
Liz Razovich
Construction Coordinator
10/5/2007

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Agenda Item No. 10 **October 10, 2007**

Subject: Resolution Authorizing the Director of Island Operations to Share the Cost of Certain Improvements to Units Returned to the Treasure Island Homeless Development Initiative in Accord with the Terms of the Sharing Agreement Between the Authority and The Treasure Island Homeless Development Initiative (*Action Item*)
Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0660

BACKGROUND
In March 1999, the Treasure Island Development Authority (the "Authority") entered into a series of agreements that provided the basis for the lease and management of residential property on Treasure Island and Yerba Buena Island. Those agreements included the Sublease, Development, Marketing and Property Management Agreement between the Treasure Island Development Authority as Sublandlord and The John Stewart Company, as Subtenant and Manager ("JSCO Agreement"). The JSCO Agreement calls for the John Stewart Company ("JSCO") to manage and lease market rate residential units on Treasure Island and Yerba Buena Island.

The JSCO market rate portfolio consists of units leased by the Authority from the US Navy and in turn subleased to the John Stewart Company, plus units leased to member organizations of the Treasure Island Homeless Development Initiative ("TIHDI") that were in turn borrowed by the Authority and subleased to JSCO ("Borrowed Units"), subject to the terms and conditions of the Revenue Sharing and Consent Agreement between the Treasure Island Development Authority and The Treasure Island Homeless Development Initiative ("Sharing Agreement"). The Sharing Agreement calls for the John Stewart Company to lease the units subject to the Sharing Agreement at market rates and for the Authority to share the revenue distributed by JSCO to the Authority as percentage rent with TIHDI.

At its regular meeting of March 22, 2006, the Authority agreed to a request from TIHDI to release fifty four (54) units from the Sharing Agreement and to return those units to TIHDI member organizations. "Section 7. Unit Turnover" of the Sharing Agreement requires that the Borrowed Units be maintained in such a manner that upon their return to TIHDI, they would have a remaining useful life of seven years. In support of the Unit Turnover obligation, Project Staff, TIHDI, and JSCO agreed that certain repairs would be made to the 54 units to assure a remaining useful life of seven years. Repairs ranged from cosmetic repairs, such as painting and patching, through major repairs including boiler and roof replacements. To date, the cost of repairs has been approximately Four Hundred and Forty Five Thousand Dollars ($445,000) or Eight Thousand Two Hundred Forty Dollars ($8,240) per unit. The cost of repairs has been funded from the JSCO

Replacement Reserve Account. JSCO and TIHDI report that work to date has been completed in a satisfactory manner. Project Staff has inspected a representative sample of the units and concluded that the work has been completed in a satisfactory manner.

Prior to the transfer of the 54 units, JSCO conducted an assessment of the roofs of all eight affected buildings. Based on this assessment JSCO replaced three roofs. JSCO and Project Staff also concluded that although the roofs at 1243 Northpoint, 1223 Mariner, 1225 Mariner, 1126 Reeves Court and 1226 Bayside were close to the end of their useful life, they would continue to be functional for another seven years if monitored and maintained appropriately. However, JSCO, Project Staff and TIHDI agreed that the possibility of changes to the schedule for the development project could require the roofs to remain in place beyond seven years. As this matter affects the health and well-being of TIHDI residents, Project Staff and TIHDI have agreed that it would be better to replace the roofs now rather than incur the cost of maintenance over the next seven years, only to be required to replace the roof shortly thereafter.

Project Staff and TIHDI agree that the parties should reach an accommodation to share in the cost of immediately replacing the roofs of concern. TIHDI has provided an estimate of Ninety Seven Thousand Nine Hundred Dollars ($97,900) to replace the five roofs. JSCO has reviewed the TIHDI estimate and considers it reasonable. In exchange for acknowledgement that the Authority would have no further obligations with respect to the roofing systems for the transferred units, the JSCO Replacement Reserve Account will be used to reimburse TIHDI Fifty Percent (50%) of replacement costs up to a maximum of Forty Eight Thousand Nine Hundred and Fifty Dollars ($48,950) upon determination that the roof repairs have been completed in a satisfactory manner.

FINANCIAL IMPACT

In accord with the terms of the JSCO Agreement, capital costs associated with transfer of the 54 Units have been funded from the Replacement Reserve Account. Operating Funds are not used for these capital improvements. The Replacement Reserve Account will be used to fund the Authority's share of the roof project. Currently the Replacement Reserve Account contains approximately Four Hundred Sixty Seven Thousand Seven Hundred Thirty Two Dollars ($467,732) or $809 per unit based upon the 578 units currently in the JSCO portfolio. If the Authority agrees to fund the full $48,950, the Replacement Reserve will be Four Hundred Eighteen Thousand, Seven Hundred Eighty One Dollars ($418,781) or Seven Hundred Twenty Five Dollars ($725) per unit. This represents 72% of the maximum amount allowable in the Replacement Reserve Account.

RECOMMENDATION

Project Staff recommends Authority authorization for the Director of Island Operations to share with TIHDI the cost to replace five roofs of buildings that are being returned to the Treasure Island Homeless Development Initiative in accord with the terms and conditions of the Sharing Agreement.

Prepared by Marc McDonald, Facilities Manager
For Mirian Saez, Director of Island Operations

[TIHDI Sharing Agreement]

RESOLUTION AUTHORIZING THE DIRECTOR OF ISLAND OPERATIONS TO SHARE THE COST OF CERTAIN IMPROVEMENTS TO UNITS RETURNED TO THE TREASURE ISLAND HOMELESS DEVELOPMENT INITIATIVE IN ACCORD WITH THE TERMS OF THE SHARING AGREEMENT BETWEEN THE AUTHORITY AND THE TREASURE ISLAND HOMELESS DEVELOPMENT INITIATIVE

WHEREAS, On May 2, 1997, the Board of Supervisors (the "Board") passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, Pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994, the Treasure Island Homeless Development Initiative ("TIHDI") and the San Francisco Redevelopment Agency negotiated a Base Closure Homeless Assistance Agreement and Option to Sublease Real Property, which was endorsed by the City's Board of Supervisors and approved by the United States Department of Housing and Urban

Development in connection with its consideration of the Draft Reuse Plan (the "TIHDI Agreement"); and,

WHEREAS, Pursuant to the TIHDI Agreement, TIHDI, among other things, is granted the right, upon the satisfaction of certain conditions precedent, to have one or more of its member organizations sublease up to 375 Housing Units (the "TIHDI Units"), of which 90 of the housing units are on Yerba Buena Island, and up to 285 housing units on Treasure Island, for homeless San Franciscans, as more particularly described in the TIHDI Agreement; and,

WHEREAS, For reasons mutually beneficial to TIHDI and to the Authority, the parties entered into that certain Revenue Sharing and Consent Agreement dated March 1, 1999 (the "Sharing Agreement"), whereby TIHDI agreed to allow the Authority to include 112 of the TIHDI Units (the "Borrowed Units") and the 41 YBI Units in a Sublease, Development, Marketing and Property Management Agreement (the "JSCo Sublease") between the Authority and John Stewart Company ("JSCo"), in return for TIHDI receiving a share of the revenues from the Borrowed Units and the 41 YBI Units as set forth in the Sharing Agreement; and,

WHEREAS, In August 2000, the parties entered into the First Amendment to Revenue Sharing and Consent Agreement (the "First Amendment") whereby TIHDI agreed to exchange 52 units on Yerba Buena Island plus 1 Treasure Island unit that were reserved for TIHDI member organizations and, in return, the Authority agreed to make 52 additional units on Treasure Island available to TIHDI member organizations to sublease, all as more particularly set forth in the First Amendment; and,

WHEREAS, On March 22, 2006, the Authority Board approved the Second Amendment to the Sharing Agreement to allow the Authority to return 54 of the TIHDI Units (the "54 TIHDI Units") then being managed under the JSCo Sublease to TIHDI member organizations beginning in July, 2007 for homeless and economically disadvantaged San

Franciscans as was anticipated from the inception of the Sharing Agreement and in accordance with the TIHDI Agreement; and,

WHEREAS, According to Section 7. Unit Turnover, of the Sharing Agreement, upon return of the units managed by JSCO to TIHDI member organizations, the remaining useful life for units returned to TIHDI member organizations is assumed to be seven years; and,

WHEREAS, JSCO returned the 54 TIHDI Units to TIHDI member organizations on July 1, 2007 as required by the terms of the Sharing Agreement; and,

WHEREAS, Based on an assessment conducted by JSCO of the roofs of all eight buildings returned to TIHDI member organizations JSCO replaced three roofs and concluded with Project Staff that although the roofs at 1243 Northpoint, 1223 Mariner, 1225 Mariner, 1126 Reeves Court and 1226 Bayside were close to the end of their useful life, they would continue to be functional for another seven years if monitored and maintained appropriately; and,

WHEREAS, JSCO, Project Staff and TIHDI agree that the possibility of changes to the schedule for the development project could require the roofs to remain in place beyond seven years and as this matter affects the health and well-being of TIHDI residents, Project Staff and TIHDI have agreed that it would be better to replace the roofs now rather than incur the cost of maintenance over the next seven years, only to be required to replace the roof shortly thereafter; and,

WHEREAS, Project Staff and TIHDI have negotiated a proposed accommodation to share in the cost of replacing the roofs of concern, the terms of such accommodation being that the Authority will use funds from the Replacement Reserve Account required under the JSCO Sublease to reimburse TIHDI for fifty percent (50%) of the roof replacement costs, up to a maximum of Forty Eight Thousand Nine Hundred and Fifty Dollars ($48,950), upon determination that the roof repairs have been completed in a satisfactory manner; and,

WHEREAS, Project Staff recommends that the Board of Directors approve such accommodation; Now, Therefore Be It

RESOLVED, That the Board of Directors authorizes the Director of Island Operations to fund out of the Replacement Reserve Account fifty percent (50%) of the actual out of pocket costs incurred to replace the roofs of the buildings located at 1243 Northpoint, 1223 Mariner, 1225 Mariner, 1126 Reeves Court and 1226 Bayside, up to a maximum amount of Forty Eight Thousand Nine Hundred and Fifty Dollars ($48,950), upon the Director's determination that the roof replacements have been completed in a satisfactory manner.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on October 10, 2007.

_____
Owen Stephens, Secretary

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Agenda Item No. 11 **October 10, 2007**

Subject: Rehabilitation of Quarters 10, 61 and 62 to Make Available for Use as Temporary Housing (*Information Item*)

Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0660

BACKGROUND

On November 19, 1999, the Authority entered into a lease agreement with the United States Navy for Navy Lease Agreement N6247499RP42P12 (the "Land and Structures Master Lease"). The lease premises consist of land and structures throughout Treasure Island. On June 13, 2007, the Land and Structures Master Lease was amended to add Quarters 10, 61, 62 and other buildings to the lease premises for a variety of uses including temporary housing.

The Quarters are a collection of residential units located on Yerba Buena Island. They include Quarters 10, which has been nominated as an historic structure for its unique architectural features, as well as Quarters 61 and 62 which are attractive buildings of no historic significance. Project Staff has been contacted by firms and agencies seeking temporary housing for employees in transition from other regions of the country. In response to these requests, Project Staff is preparing these currently vacant quarters for residential use. Work includes principally cosmetic improvements ranging from painting and landscaping through sheetrock repairs. All work will be completed in accord with the San Francisco Building Code and a Certificate of Occupancy will be secured from the Department of Building Inspections prior to rental.

The John Stewart Company has provided a market rate assessment of these Quarters and concluded that fair market rent would range from $2,600 per month for an attractive duplex in Quarters 61 to $5,000 per month for Quarters 62 the former single family home of the Base Commander. The term for all rentals will be limited to one year, subject to a thirty day notice of termination to accommodate the development program. Property management services will be provided by Project Staff.

FINANCIAL IMPACT

Based on projections provided by JSCO, Project Staff anticipates a low risk, high return scenario. The strategy calls for the rehabilitation and rental of Quarters 10 first. Under a worst case scenario, the cost to rehabilitate Quarters 10 will be Forty Nine Thousand Three Hundred and Fifty Dollars ($49,350). Projected Rent is Three Thousand Five Hundred Dollars ($3,500)

per month or Forty Two Thousand ($42,000) per year against annual expenses of Nine Thousand Nine Hundred Dollars ($9,900) resulting in Annual Net Operating Income of Thirty Two Thousand One Hundred Dollars ($32,100). The $32,100 Return On the Investment of $49,350 is 65% for a payback term of 18 months. Quarters 10 has been nominated for historic designation as a building designed in the Bay Tradition style in which the building retains a high level of integrity with minimal alterations. Due to the building's nomination for historic designation it is likely the building will not be demolished. As a result, all net income earned beyond the 18 month payback period will be directed to the Authority for operations.

Funding for the rehabilitation of Quarters 10 will not affect the Fiscal Year 07-08 Budget. Four Hundred and Eighty Nine Thousand Dollars ($489,000) was budgeted for Special Capital Improvement Projects for FY 07-08. While One Hundred and Thirty Thousand Dollars ($130,000) was budgeted to pay for the Hangar Three roof repair, only One Hundred and Eighteen Thousand Dollars ($118,000) of this fund was spent to complete this project in September of 2007. As a result, Three Hundred and Eighty One Thousand Dollars ($381,000) remains in the Special Capital Improvement Projects fund. An investment of $49,350 using Special Capital Improvement Projects funds will leave Three Hundred Thirty One Thousand Six Hundred and Fifty Dollars ($331,650) for additional Special Capital Improvements in FY 07-08.

Prepared by Marc McDonald, Facilities Manager
For Mirian Saez, Director of Island Operations

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

GAVIN NEWSOM, MAYOR

DRAFT Minutes of Meeting
Treasure Island Development Authority
October 10, 2007

City Hall, Room 400
1 Carlton B. Goodlett Place
San Francisco, CA

1. **Call to Order**: 1:38 PM

Roll Call Present: Claudine Cheng (Chair)
Fred Blackwell
Jesse Blout
John Elberling
Owen Stephens

Excused: Jared Blumenfeld
Matthew Franklin
Supervisor Chris Daly

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2. Report by Director of Island Operations

Ms. Mirian Saez, Director of Island Operations, provided an update on her schedule and activities on the Island. Negotiations are on-going with the Treasure Island Job Corps over the operation of the Café. Met recently with Captain Daniel McDonagh of the SFPD, the new Captain of Southern Station. Met with the Embarcadero YMCA to discuss additional programming at the Gymnasium. Met with the Controller's Office to discuss their year-end fiscal reports. Stated that per the City Administrator, her performance evaluation will be held in January of 2008 and will include input from the Board of Directors. Work is ongoing on the creation of a Treasure Island logo. Staff has met recently with TI Marina representatives regarding the installation of a pump-out station at the Marina and allowing live-aboards at the Marina. Discussed the success of the Treasure Island Music Festival as well as the Treasure Island Community Festival. A NERT class will be held on Treasure Island beginning in October. Stated she granted one fee-waiver in the past month to the Public Defender's Office for use of space for a staff retreat.

3. **Report by the Office of Base Reuse and Development**

Mr. Jack Sylvan, Office of Base Reuse and Development, stated there isn't any news on the three Treasure Island-related bills pending in the State Legislature.The bills are on the Governor's desk and await signature. FEMA will make a presentation at the October 17th community meeting regarding the floodplain mapping FEMA is performing in association with the City's Floodplain Insurance review. A notice of preparation and of a public scoping meeting for the upcoming Environmental Impact Review will be forthcoming shortly.

4. **Communications**

There was no discussion of the Communications.

5. **Report by the Treasure Island/Yerba Buena Island Citizen Advisory Board**

Mrs. Karen Knowles-Pearce, CAB Chair, reported on the CAB's October 2nd meeting. There was a presentation and discussion on the CEQA process & schedule, and an update on the Design for Development process.

6. **Ongoing Business by Directors**

There was no discussion on this item.

7. **General Public Comment**

Mr. Marc Conners, Good Neighbors of Treasure Island, discussed recent neighborhood events and the community activities of the Good Neighbors.

Mr. Neal Patel, San Francisco Bicycle Coalition, discussed the SFBC's efforts on their community planning process for making the Islands more bikable.

8. **Consent Agenda**

There was no Public Comment on the Consent Agenda.

Director Stephens motioned for approval.
Director Blout seconded the motion.
The Consent Agenda was approved unanimously.

9. **Authorizing Wine Valley Catering/Toolworks Joint Venture**

Ms. Lori Mazzola, TIDA Special Events Coordinator, presented the Island. One element of the Homeless Assistance Agreement provides TIHDI the exclusive right to propose programs for the utilization of three (3) Economic Development Opportunities which may include the lease of sites to TIHDI member organizations on the condition that the member organizations operate particular enterprises. TIHDI submitted a preliminary proposal to the Authority for the creation of a pilot program to provide marketing, catering and event management services for the venues. On July 11, 2007, the Authority Board authorized Authority staff to enter into sole source exclusive negotiations with TIHDI, Toolworks, Inc. and WVC for the pilot program.

TIHDI, Toolworks, and WVC will work together as a "Joint Venture". The JV combines each of their services and expertise to create a successful Pilot Program that will operate and manage the venues throughout the next year. This one year Pilot Project has the potential to provide

substantial benefits to TIHDI, Toolworks, and WVC, as well as the Authority, by creating new jobs and by generating increased revenue. The basic framework of the Joint Venture relationship among TIHDI, Toolworks, Inc, and WVC will call for WVC to provide marketing, catering, and event management services for the Chapel, Casa de la Vista, and Administration Building Lobby, while Toolworks Inc., and other TIHDI member organizations, will provide staffing for set-up/break-down, stewarding, kitchen prep, and production work. The Authority and each of the members of the Joint Venture will enter into a Management Agreement and Use Permit.

Ms. Sherry Williams, TIHDI Executive Director, spoke in favor of the Joint Venture agreement. Thanked Director of Island Operations Saez for her work on this agreement.

Ms. Kristy Feck, Toolworks, spoke in favor of the Joint Venture agreement and the opportunity it will provide to Toolworks and the people in the Toolworks program.

Mr. Jack Nathanson, Wine Valley Catering, spoke in favor of the Joint Venture agreement. Stated that Wine Valley Catering looks forward to working with TIDA and Toolworks in the coming year.

Public Comment:

Ms. Eve Bach spoke in support of the Joint Venture.

Director Blout motioned for approval of this item.
Director Elberling seconded the motion.
The item was approved unanimously.

10. Authorizing the Director of Island Operations to Share the Cost of Certain Improvements to Units Returned to the Treasure Island Homeless Development Initiative

Mr. Marc McDonald, TIDA Facilities Manager, presented the item. Prior to the transfer of the 54 units, JSCO conducted an assessment of the roofs of all eight affected buildings. Based on this assessment, JSCO replaced three roofs. JSCO and Project Staff also concluded that although the roofs at 1243 Northpoint, 1223 Mariner, 1225 Mariner, 1126 Reeves Court and 1226 Bayside were close to the end of their useful life, they would continue to be functional for another seven years if monitored and maintained appropriately. However, JSCO, Project Staff and TIHDI agreed that the possibility of changes to the schedule for the development project could require the roofs to remain in place beyond seven years. As this matter affects the health and well-being of TIHDI residents, Project Staff and TIHDI have agreed that it would be better to replace the roofs now rather than incur the cost of maintenance over the next seven years, only to be required to replace the roof shortly thereafter.

Project Staff and TIHDI agree that the parties should reach an accommodation to share in the cost of immediately replacing the roofs of concern. TIHDI has provided an estimate of Ninety Seven Thousand Nine Hundred Dollars ($97,900) to replace the five roofs. JSCO has reviewed the TIHDI estimate and considers it reasonable. In exchange for acknowledgement that the Authority would have no further obligations with respect to the roofing systems for the

transferred units, the JSCO Replacement Reserve Account will be used to reimburse TIHDI fifty percent (50%) of replacement costs up to a maximum of Forty Eight Thousand Nine Hundred and Fifty Dollars ($48,950) upon determination that the roof repairs have been completed in a satisfactory manner.

Public Comment:

Ms. Sherry Williams, TIHDI Executive Director, spoke in support of the resolution.

Ms. Ruth Gravanis spoke in support of roof repair, but insisted we use the term replacement instead, per the guidelines of the State Lands Commission.

Mr. Brett Vaughn, Community Housing Partnership, spoke in support of the resolution. Thanked the Board for their assistance with the unit transfer process.

Director Blumenfeld motioned for approval of this item.
Director Stephens seconded the motion.
The item was approved unanimously.

11. Presentation on Rehabilitation of Quarters 10, 61 and 62 to Make Available for Use as Temporary Housing

Mr. Marc McDonald, TIDA Facilities Manager, presented the item. On June 13, 2007, the Land and Structures Master Lease was amended to add Quarters 10, 61, 62 and other buildings to the lease premises for a variety of uses including temporary housing. The Quarters are a collection of residential units located on Yerba Buena Island. They include Quarters 10, which has been nominated as an historic structure for its unique architectural features, as well as Quarters 61 and 62 which are attractive buildings of no historic significance.

Stated that Project Staff has been contacted by firms and agencies seeking temporary housing for employees in transition from other regions of the country. In response to these requests, Project Staff iwould like to prepare these currently vacant quarters for residential use. Work would include principally cosmetic improvements ranging from painting and landscaping through sheetrock repairs. The John Stewart Company has provided a market rate assessment of these Quarters and concluded that fair market rent would range from $2,600 per month for an attractive duplex in Quarters 61 to $5,000 per month for Quarters 62 the former single family home of the Base Commander.

There was no Public Comment on this item.

12. Presentation by U.S. Navy on Bay Bridge Ramps Inspection

Mrs. Patricia McFadden, U.S. Navy Caretaker Site Office Treasure Island, provided a presentation on the upcoming Bay Bridge on and off ramps inspections being undertaken by CalTrans and the Navy. The ramps and bridges connecting the ramps to the Island will be inspected in the coming weeks. Traffic to and from the Island will be delayed overnight on the night of October 18th. MUNI and emergency service providers have been notified and are in coordination.

There was no public comment on this item.

13. Discussion of Future Agenda Items by Directors

Director Stephens requested that Captain McDonagh make a presentation to the TIDA Board in the coming months. Also requested a follow-up on the efforts taken by CalTrans to make traffic movement on and off the Island from the Bay Bridge safer.

Director Cheng stated that the November Board meeting will be held November 14th at 6:30 PM at the Casa de la Vista, Building 271, on Treasure Island.

14. Adjourn

Director Cheng motioned for adjournment at 2:47 PM.

CITY & COUNTY OF SAN FRANCISCO

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GAVIN NEWSOM, MAYOR

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[Final]

Minutes of Meeting
Treasure Island Development Authority
October 10, 2007

City Hall, Room 400
1 Carlton B. Goodlett Place
San Francisco, CA

1. Call to Order: 1:38 PM

Roll Call

Present: Claudine Cheng (Chair)
Fred Blackwell
Jesse Blout
John Elberling
Owen Stephens

Excused: Jared Blumenfeld
Matthew Franklin
Supervisor Chris Daly

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2. Report by Director of Island Operations

Ms. Mirian Saez, Director of Island Operations, provided an update on her schedule and activities on the Island. Negotiations are on-going with the Treasure Island Job Corps over the operation of the Café. Met recently with Captain Daniel McDonagh of the SFPD, the new Captain of Southern Station. Met with the Embarcadero YMCA to discuss additional programming at the Gymnasium. Met with the Controller's Office to discuss their year-end fiscal reports. Stated that per the City Administrator, her performance evaluation will be held in January of 2008 and will include input from the Board of Directors. Work is ongoing on the creation of a Treasure Island logo. Staff has met recently with TI Marina representatives regarding the installation of a pump-out station at the Marina and allowing live-aboards at the Marina. Discussed the success of the Treasure Island Music Festival as well as the Treasure Island Community Festival. A NERT class will be held on Treasure Island beginning in October. Stated she granted one fee-waiver in the past month to the Public Defender's Office for use of space for a staff retreat.

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4. Communications

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6. Ongoing Business by Directors

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Mr. Neal Patel, San Francisco Bicycle Coalition, discussed the SFBC's efforts on their community planning process for making the Islands more bikable.

8. Consent Agenda

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Director Stephens motioned for approval.
Director Blout seconded the motion.
The Consent Agenda was approved unanimously.

9. Authorizing Wine Valley Catering/Toolworks Joint Venture

Ms. Lori Mazzola, TIDA Special Events Coordinator, presented the Island. One element of the Homeless Assistance Agreement provides TIHDI the exclusive right to propose programs for the utilization of three (3) Economic Development Opportunities which may include the lease of sites to TIHDI member organizations on the condition that the member organizations operate particular enterprises. TIHDI submitted a preliminary proposal to the Authority for the creation of a pilot program to provide marketing, catering and event management services for the venues. On July 11, 2007, the Authority Board authorized Authority staff to enter into sole source exclusive negotiations with TIHDI, Toolworks, Inc. and WVC for the pilot program.

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Ms. Sherry Williams, TIHDI Executive Director, spoke in favor of the Joint Venture agreement. Thanked Director of Island Operations Saez for her work on this agreement.

Ms. Kristy Feck, Toolworks, spoke in favor of the Joint Venture agreement and the opportunity it will provide to Toolworks and the people in the Toolworks program.

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Public Comment:

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Director Blout motioned for approval of this item.
Director Elberling seconded the motion.
The item was approved unanimously.

10. Authorizing the Director of Island Operations to Share the Cost of Certain Improvements to Units Returned to the Treasure Island Homeless Development Initiative

Mr. Marc McDonald, TIDA Facilities Manager, presented the item. Prior to the transfer of the 54 units, JSCO conducted an assessment of the roofs of all eight affected buildings. Based on this assessment, JSCO replaced three roofs. JSCO and Project Staff also concluded that although the roofs at 1243 Northpoint, 1223 Mariner, 1225 Mariner, 1126 Reeves Court and 1226 Bayside were close to the end of their useful life, they would continue to be functional for another seven years if monitored and maintained appropriately. However, JSCO, Project Staff and TIHDI agreed that the possibility of changes to the schedule for the development project could require the roofs to remain in place beyond seven years. As this matter affects the health and well-being of TIHDI residents, Project Staff and TIHDI have agreed that it would be better to replace the roofs now rather than incur the cost of maintenance over the next seven years, only to be required to replace the roof shortly thereafter.

Project Staff and TIHDI agree that the parties should reach an accommodation to share in the cost of immediately replacing the roofs of concern. TIHDI has provided an estimate of Ninety Seven Thousand Nine Hundred Dollars ($97,900) to replace the five roofs. JSCO has reviewed the TIHDI estimate and considers it reasonable. In exchange for acknowledgement that the Authority would have no further obligations with respect to the roofing systems for the

transferred units, the JSCO Replacement Reserve Account will be used to reimburse TIHDI fifty percent (50%) of replacement costs up to a maximum of Forty Eight Thousand Nine Hundred and Fifty Dollars ($48,950) upon determination that the roof repairs have been completed in a satisfactory manner.

Public Comment:

Ms. Sherry Williams, TIHDI Executive Director, spoke in support of the resolution.

Ms. Ruth Gravanis spoke in support of the project, but encouraged use of the term repair instead of replacement, per the guidelines of the State Lands Commission.

Mr. Brett Vaughn, Community Housing Partnership, spoke in support of the resolution. Thanked the Board for their assistance with the unit transfer process.

Director Blumenfeld motioned for approval of this item.
Director Stephens seconded the motion.
The item was approved unanimously.

11. Presentation on Rehabilitation of Quarters 10, 61 and 62 to Make Available for Use as Temporary Housing

Mr. Marc McDonald, TIDA Facilities Manager, presented the item. On June 13, 2007, the Land and Structures Master Lease was amended to add Quarters 10, 61, 62 and other buildings to the lease premises for a variety of uses including temporary housing. The Quarters are a collection of residential units located on Yerba Buena Island. They include Quarters 10, which has been nominated as an historic structure for its unique architectural features, as well as Quarters 61 and 62 which are attractive buildings of no historic significance.

Stated that Project Staff has been contacted by firms and agencies seeking temporary housing for employees in transition from other regions of the country. In response to these requests, Project Staff would like to prepare these currently vacant quarters for residential use. Work would include principally cosmetic improvements ranging from painting and landscaping through sheetrock repairs. The John Stewart Company has provided a market rate assessment of these Quarters and concluded that fair market rent would range from $2,600 per month for an attractive duplex in Quarters 61 to $5,000 per month for Quarters 62 the former single family home of the Base Commander.

There was no Public Comment on this item.

12. Presentation by U.S. Navy on Bay Bridge Ramps Inspection

Mrs. Patricia McFadden, U.S. Navy Caretaker Site Office Treasure Island, provided a presentation on the upcoming Bay Bridge on and off ramps inspections being undertaken by CalTrans and the Navy. The ramps and bridges connecting the ramps to the Island will be inspected in the coming weeks. Traffic to and from the Island will be delayed overnight on the night of October 18th. MUNI and emergency service providers have been notified and are in coordination.

There was no public comment on this item.

13. Discussion of Future Agenda Items by Directors

Director Stephens requested that Captain McDonagh make a presentation to the TIDA Board in the coming months. Also requested a follow-up on the efforts taken by CalTrans to make traffic movement on and off the Island from the Bay Bridge safer.

Director Cheng stated that the November Board meeting will be held November 14th at 6:30 PM at the Casa de la Vista, Building 271, on Treasure Island.

14. Adjourn

Director Cheng motioned for adjournment at 2:47 PM.

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